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JPRS 81535

13 August 1982

# South and East Asia Report

No. 1178

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Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

13 August 1982

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## ASEAN TO MARK 15TH ANNIVERSARY IN AUGUST

Kuala Lumpur BUSINESS TIMES in English 19 Jun 82 p 9

[Article by Gerry Aziakou in Singapore]

[Text]

THE Association of Southeast Asian Nations (Asean) celebrates its 15th anniversary this year, proud of its achievements but aware of the need to better reconcile at times conflicting interests of its five members to achieve greater cohesion and economic integration.

Founded in Bangkok on Aug. 8, 1967, at the height of the Vietnam war, Asean has emerged as one of the most successful regional groupings.

Now the world's fastest growing region, it boasts a market of more than 250 million people that is larger in terms of population than the US and Canadian markets combined.

Its five members speak with one voice on major international economic and political issues. As a result they have won respect and considerable bargaining power in world forums.

In a demonstration of Asean clout, Singaporean Foreign Minister Supiah Dhanabalan persuaded Belgian Foreign Minister Leo Tindemans to reverse his earlier decision not to attend scheduled talks this week between Asean Foreign Ministers and a European Economic Community (EEC) delegation.

Mr Tindemans, current chairman of the EEC Council of Ministers, had earlier said he would not be able to lead the EEC team to the talks due to his busy schedule.

Asean was said to have been slighted and suggested that the EEC-Asean session, to follow a

current three-day meeting of Asean chief diplomats, be postponed. But a top Asean official said Mr Tindemans had now agreed to come after receiving a cable from Mr Dhanabalan urging him to reconsider.

An important milestone in Asean history was the 1976 summit on the Indonesian island of Bali where a declaration of Asean concord was signed. It identified internal subversion as the main threat to the security of member states and economic development as the best weapon to combat it.

Asean leaders also vowed to "take cooperative action in their national development programmes, utilising as far as possible the resources available in the Asean region to broaden the complementarity of their respective economies."

The Asean record has been impressive. By 1990, the association's collective gross national product will have doubled if the grouping maintains its fast growth rate, which has averaged seven per cent for the past decade.

Explaining some of the reasons for this success, Singapore's Prime Minister Lee Kuan Yew said: "All our economies are market-oriented, encourage free enterprise and (have a) high level of external trade flows with the major industrial countries."

Mr Dhanabalan recently noted that Asean had been particularly successful in "schemes that improve infrastructure, transport, communications not only

within one country but also on an Asean-wide basis."

Asean "has created an atmosphere of stability in the region and therefore has won the confidence of international investors as well as international buyers," he added.

"The fact that we are stable, that there is a willingness to cooperate and maintain good relations (among ourselves) means that they (foreign investors and buyers) look upon this area as a safe and stable source of raw materials," he said.

Asean is a leading producer of tin, rubber, palm oil, rice, copra and pineapple. In addition under the Asean preferential agreement (PTA), 8,563 items have been given tariff preferences. Total intra-Asean trade, including non-PTA items, doubled from US\$9.848 billion to US\$19.800 billion in 1980.

Politically, a catalyst for Asean unity has been Vietnam and its military control of Kampuchea since December 1978.

The perceived threat of some 180,000 Soviet-armed Vietnamese troops on Thailand's border has led Asean to map out a joint strategy aimed at making Hanoi pay a heavy price for its Kampuchean adventure and ultimately at bringing about an internationally recognised settlement.

But on security as on economic and other issues, different perceptions and at times conflicting interest remain.

For example, while Thailand, Malaysia and Singapore view Vietnam as the major threat to regional security, Indonesia feels the long-term menace comes from China.

Singapore, with an annual per capita income of US\$4,700, is far more advanced economically than its neighbours, whose economies are essentially agro-based.

At the 1977 Asean summit in Kuala Lumpur, Philippine President Ferdinand Marcos had pledged to take formal steps to drop his country's claim on Sabah. But since then nothing has been done.

Philippine Foreign Minister Carlos Romulo echoed an earlier call by President Marcos for an Asean summit to give a "political boost" to greater Asean economic integration. But Singapore, Malaysia and Indonesia said there were no new developments warranting such a summit.

Mr Lee also urged fellow Asean members to stand together to face the effects of world recession and mounting protectionism in the West: slower economic growth, trade deficit problems and shrinking foreign reserves.

"To withstand external pressure... Asean must stay together for greater collective strength. Subtle measures will be used to divide Asean to make protectionism less blatant.

"We must make it a practice to act jointly to protect our agricultural and commercial interests," he added. — AFP



## MIGRANT ASIAN WORKERS POUR INTO ARAB GULF STATES

Kuala Lumpur BUSINESS TIMES in English 21 Jun 82 p 21

[Article by Ian Steele in New York]

[Text]

POLITICAL rights are restricted, public meetings are prohibited, religious life must be circumspect; workers cannot own property, may not change employers without the permission of their original employer, and can be deported for striking, loafing or insulting the boss.

It sounds like hell, but it's the other side of heaven for thousands of migrant Asian workers who pour into the five Arab Gulf states each year. The trade-off for authoritarianism, social isolation and insecurity is oil money. And the possibility that a modestly skilled worker from India, Pakistan, Bangladesh, Sri Lanka, South Korea or the Philippines might save thousands of dollars a year from wages — an opportunity beyond the wildest of dreams in most of Asia.

Oil and the quest for modern development has created a rather strange Arab-Asian alliance in the Persian Gulf.

The small oil-producing kingdoms of Kuwait, Qatar, Bahrain, United Arab Emirates and Oman have decided to share their wealth with their people but not political power. Thus, they want roads, schools, hospitals, housing and other benefits of modern economic life but they simply don't have the educated and skilled nationals to deliver them. To open their doors to skilled Arab neighbours would be to import pan-Arab and pan-Islamic tensions into basically

tranquil enclaves and to slow down the distribution of wealth by sharing it with outsiders.

### Literacy

By importing foreign workers without the prospect of permanent settlement or integration, they have created welfare states which deliver free education from the primary level to universities, free health care, water, low-cost quality housing and national per capita incomes ranging from US\$14,000 to US\$17,000 a year for very little work. Building, staffing and maintaining the modern necessities of life in the Gulf have been left mostly to outsiders.

Although the avowed intention is to transfer the skills and wherewithal to nationals, there is little reason to expect that will happen soon.

Less than half the adult population in the Gulf is literate, the Koran dominates primary and secondary learning and higher education stresses literature. Of equal handicap to the possibility of a predominantly national labour force is the population base which, in 1975, ranged from 60,000 in Qatar to 550,000 in Oman. The total population of the five states in 1975 was only 2.8 million, of whom 1.3 million were foreigners involved in the development of the economies and social infrastructures.

In a current study for the *Population and Development Review* of the New York-based Population Council, Prof. Myron Weiner of the Massachusetts Institute of Technology, profiled a world in which Indians and Koreans, working for Indian, British, American, Arab and Cypriot companies manned the construction industry; where doctors from Bangladesh, Pakistan and India and nurses from the Christian communities of Kerala (India) and Sri Lanka staffed the hospitals; and where Indians had become a predominant work factor in the oil companies, banks, hotels, stores, factories and clerical administration of business.

A World Bank study in 1975 showed that migrant workers made up 70.8 per cent of the workforce in Kuwait, 39.2 per cent in Bahrain, 84.8 per cent in the United Arab Emirates, 81.1 per cent in Qatar and 45.1 per cent in Oman. A 1980 study in Qatar and the United Arab Emirates indicated that migrants from South Asia alone outnumbered native Arab workers 3 to 1.

### Inextricable

In 1979, there were an estimated 333,000 Indians living in the Persian Gulf region and more than 335,000 Pakistanis. As Prof. Weiner put it, they had become "an inextricable part of the economy."

He said that the Gulf monarchies had created a divided social order with a consumer-oriented native population, which had little practical understanding of the linkage between productivity and income on one side, and a productivity-oriented migrant population on the other.

The two were kept in harmony by the knowledge that without the migrants the flow of social services would be severely disrupted. In the same manner, without the political stability of the monarchies the foreign workers, who were able to bank between one-third and two-thirds of their earnings, would probably be thrown out.

As "second class inhabitants," subject to expulsion at any time, South Asian workers, particularly the Indians, have done remarkably well.

Prof. Weiner reports that although migrants are not allowed to own property or businesses, Indian entrepreneurs frequently had silent Arab partners who loaned their names for a percentage of the earnings and workers and their families had many of the trappings of home. Indian companies imported food, clothing and films, and sports clubs had sprouted in Kuwait, Bahrain, Dubai, Abu Dhabi and Oman.

Indian schools were under construction and religious festivals and practices were observed discreetly. — Dep thnews

AUSTRALIA

FOREIGN MINISTER DISCUSSES NEW CALEDONIA SITUATION

BK240948 Melbourne Overseas Service in English 1110 GMT 23 Jul 82

[From the "Australian Insight" program]

[Text] Welcome to Australian Insight. I am (Own Cole). In this program, the Australian minister for foreign affairs supports the French Government's land reforms in New Caledonia which sparked riots in the island.

Australia's minister for foreign affairs, Mr Street, supports moves toward independence in New Caledonia, but deplores the violence that has taken place on the Pacific island. He says the violence was caused by people opposing moves toward independence. Radio Australia's political correspondent, (John Lombard), asked Mr Street if the French Government was bringing about reforms in New Caledonia too quickly.

[Begin Street recording] If there is to be a major shift in the political structure of a country, then obviously the pace of change is something that has to be watched very carefully. Our attitude, as you know, is that eventually, the New Caledonian people should, by a free act of self-determination, be able to choose what sort of government they want. We also believe very strongly that should be and can be achieved peacefully--as other South Pacific nations have been able to do. If we are to achieve that goal, then obviously we have to be sensitive to the pace of change.

[Question] Are you confident that the French administration in Noumea can handle the present situation?

[Answer] Well, I think you'd better ask them that. But I think the present direction of developments in New Caledonia, leaving aside yesterday's very regrettable violence, the present trend of direction is the right one and, I think, there is an acknowledgement of that in New Caledonia itself now.

[Question] Well, a year ago, it was the pro-independence movement people who took to the streets to demonstrate. Now, it is largely the right wing anti-independent Europeans who are demonstrating. And we have heard reports that they are well-armed. Do you fear further violence in Noumea?

[Answer] We certainly hope that can be avoided--as I say, questions of detail, I think you would need to go and ask the French Government. But the history of the Pacific has been that many small island states have been able to achieve independence by consensus, by peaceful means. And we hope this will apply also to New Caledonia and I think, carefully handled, it can happen that way.

[Question] You have just seen Mr (Yan Yuragai), an independence front leader. What did he tell you of the situation there?

[Answer] Well, he acknowledges that reforms have been made. He does not believe, as I have mentioned earlier, that they go far enough. They would like to see a commitment from the French Government to give them independence and he believes that this issue will be raised at the South Pacific forum at Rotorua in a few weeks time.

[Question] Did he seek Australian support for the independence movement there?

[Answer] Well, we have already said that we...our approach is to favor a free act of self-determination, and in that sense, we hope our objectives are the same. We also stress the achievement of those objectives by peaceful means and proper processes. He certainly would welcome Australian support for those objectives.

[Question] Would you support Mr (Yuragai's) call for New Caledonia to be placed on the list of non-self governing territories which would require France to report regularly to the United Nations on the progress being made toward independence.

[Answer] I think we need to be pretty careful about this. As I say, reforms have now been instituted. There is government by decree in New Caledonia. And...I think we want to be wary of anything, to take up your earlier point, about pushing things too fast. Whatever we do, we need, I think to have at the back of our minds that the final objective is a peaceful act of self-determination. And, as to whether putting New Caledonia on that list will achieve that, I think is something that we need to give very careful attention to. In other words, I do not think putting it on the list is automatically going to achieve what is sought.

[Question] Does the Australian government recognize the independence front as the legitimate representative body of the Kanak people?

[Answer] One of the legitimate bodies. After all, the independence front, as I mentioned a moment ago, is in coalition in the local government in New Caledonia. They are not the only voice, but they are one voice, and we certainly listen to them as a legitimate spokesman, but not necessarily the sole one.

[Question] As you mentioned, the issue of the situation in New Caledonia seems certain to be raised at next month's South Pacific forum. What will be Australia's attitude?

[Answer] Oh, that will be decided at the forum itself which is, as you know, a meeting of heads of states.

[Question] But do you think there is a danger that there will be some France-bashing at the forum? Although France is not represented at the forum, a lot of countries feel very strongly about France's role in the Pacific.

[Answer] Well, first of all, I would like to say I hope France retains a role in the Pacific. And I think that is important. They have been here a long while and they have made great contribution to the region. Secondly, since the last forum, there has been a recognition that the French Government, the new French Government, has moved a considerable way. So I think there is a rather better atmosphere now than there was. [end recording]

CSO: 4220/263

## AUSTRALIA

### BRIEFS

**EARLY ELECTION**--The Liberal Party is preparing for an early federal elections. Radio Australia's Canberra office says a meeting today of the party's federal executives has added to speculation of an early poll. The meeting was attended by the prime minister, Mr Fraser, his deputy, Mr Howard, and the Liberal Party leader in the senate, Sir John Carrick. According to a party spokesman, one issue discussed at the meeting was speculation about an early election. The spokesman said the meeting felt it would be premature to discuss the detail or timing of the early election in depth. However, he said it concluded that because of what it called the current unpredictable political climate, the party should be prepared for an early campaign. The next federal election is not due until next year, but Mr Fraser has the option of calling it early, and that could be as soon as mid-September. [Text] [BK231249 Melbourne Overseas Service in English 1130 GMT 23 Jul 82]

**MALTA DIPLOMATIC STATUS**--The minister for foreign affairs, Mr Street, has upgraded Australia's diplomatic representation in Malta to the level of high commissioner. Mr (Guy Cottsel), who has been acting high commissioner since September 1981 has been appointed high commissioner. Mr Street said this was an appropriate step in the light of the steadily expanding bilateral relationship. [Text] [BK180955 Melbourne Overseas Service in English 0830 GMT 15 Jul 82 BK]

**JAPANESE COAL CUTS REQUESTED**--A big Australian coal exporter, Utah Development, has been asked to make way for cuts in shipments to the depressed Japanese steel industry. The request by the steel mills to introduce a new flexibility clause into its coal contract with Utah is expected to be made in future to all suppliers. Radio Australia's Tokyo correspondent, Walter Hamilton, says the Japanese appeal came during negotiations with Utah for the supply of coal from three big Queensland mines after 1984. He said the contracts--a total of 10 million tons of coal a year--are the biggest in Australia's trade with the steel mills. The Japanese side reportedly wants the right to reduce its orders from Utah by up to 40 percent depending on steel production. This compares with the usual flexibility of 10 percent. Hamilton says the new contract formula will allow the steel mills to curtail coal shipments the same way they have done with iron ore suppliers from Australia. He says, it is understood Utah has been told not to expect a price rise without this agreement. [Text] [Melbourne Overseas Service in English 0830 GMT 16 Jul 82 BK]

AGRICULTURAL PRODUCTS PRICE DROP--The Bureau of Agricultural Economics says the net value of farm production this financial year will be the lowest since 1977-78. The bureau says farming costs will be up, but in real terms, the net value of rural production will fall by nearly one-third. Worsening seasonal conditions in the eastern states and lower export prices are the main factors. The bureau says returns from major crops will be lower. Worst affected will be wheat and sugar, with wheat falling 17 percent in value and sugar by 18 percent. Wool prices should improve slightly and meat prices should remain stable or improve, thereby offsetting fall in production. The bureau forecasts an 8 percent increase in farm costs. It says total farm income will decline in real terms by 30 percent to just over \$12.03 billion. Federal opposition spokesman for primary production, Mr (Kerin), says the main reason for the drop in farmers' income is rising costs and he blames the Fraser government's economic strategy. [Text] [Melbourne Overseas Service in English 0830 GMT 20 Jul 82 BK]

ECONOMICS WITH NEW ZEALAND--The minister for primary industry, Mr Nixon, says he does not believe that closer economic relations with New Zealand will damage the agricultural industries in either country. Opening a meeting of the Australian Agricultural Council in Rotorua, New Zealand, Mr Nixon said he was aware of some concern felt by primary producers. This would be discussed by both governments. Mr Nixon said the federal government would consider a suggestion from the states for the establishment of a steering committee to manage the question of cooperation. The Australian Agricultural Council is a meeting of state and federal agriculture and primary industry ministers. [Text] [BK261036 Melbourne Overseas Service in English 0830 GMT 26 Jul 82]

CSO: 4220/263

## COMMUNIST INSURGENTS TRY TO LINK UP WITH THAI COUNTERPARTS

Kuala Lumpur NEW STRAITS TIMES in English 23 Jun 82 p 14

[Article by Zaw Win]

[Text]

**RANGOON:** After a two-year lull in heavy fighting between the army and communist insurgents in Burma, both sides are now engaged in a new round of hostilities.

The Rangoon government, concerned about the communists' large-scale infiltration south from their strongholds in the mountainous and relatively isolated eastern Shan state, has moved to stop them linking up with their counterparts in Thailand, informed sources said.

Lightning probes followed by frequent sudden-death encounters on the narrow jungle paths characterise the latest fighting in contrast to the large-scale attacks involving thousands of soldiers both sides launched during the late 1970s.

News that the fighting had resumed came on June

15 when the government announced that 67 communist rebels had surrendered with their weapons in April and May.

The official Burmese news agency NAB said that the insurgents surrendered in groups of 10 or more and included cadres with the ranks of political commissar, company commander and regimental commander.

For two years, Burma's army-dominated government had been mostly silent on its festering war with the Chinese-backed Burmese Communist Party (BCP) forces. Both sides had held back as diplomatic efforts took place to end the conflict which began when Burma won its independence from Britain in 1948.

Secret talks between the two were able to begin as a result of shifting international alignments in Asia caused by China's efforts to strengthen its regional ties and isolate Vietnam, and a policy of conciliation begun

by Burma's former president, General Ne Win, before he retired last year.

They broke down last year over what were described by diplomats then as intolerable communist demands. They included virtual autonomy for communist-held areas in Shan state near the Chinese border and the maintenance intact of the party's guerilla army.

About a year ago, before the talks began, China stopped its financial assistance and arms deliveries to the BCP, forcing it to find other funds, informed sources said.

It turned to the lucrative and illegal opium trade which prospers in South-East Asia's infamous Golden Triangle, the common border areas of Thailand, Burma and Laos.

### Co-operation

The sources said the communists were now concentrating on long-range infiltration southward from their northern Shan base to the sensitive Thai frontier region around Mae Hong Son to try to link up with Thailand's communist insurgents.

The Thai and Burmese governments, both concerned about the communist shift on the border region, have increased their co-operation against the rebels.

The menace is considered greater now that the Burmese party has become deeply involved in the opium trade.

Faced with this challenge, the Burmese army moved to intercept and destroy guerilla columns making persistent thrusts southward, the sources in Rangoon said.

Despite its new source of wealth, Burma's Communist Party has failed to widen its support beyond its mountainous enclaves. The sources said its 10,000 members are largely simple mountain tribesmen influenced by cash handouts.

Communist Party leaders, including chairman Ba Thein Tin, reside mainly in the Chinese side of the frontier and are said not to have been back to Burma for years. They have lost touch with the Burmese masses, the sources said.

Clandestine BCP radio broadcasts reveal an almost total ignorance of the Burmese people and things Burmese, they said.

Adding to the leadership's problems are their relations with China. Peking supports the party in principle but appears more keen on strengthening its ties with the Burmese government as a neutral state.

The Burmese party's central committee is the same group of men who came out strongly in support of China's ill-fated Maoist cultural revolution and condemned Deng Xiaoping and the present power group in Peking.

"The Chinese do not forget such things easily," a veteran observer of the Burmese communist insurgency said. — Reuter

INDIA

BRIEFS

NAXALITES SUFFER SETBACK--Krishnagar, July 13--The arrest of Mr Ramen Saha, the underground leader of the Nisith Bhattacharyya-Azizul Haque faction of the CPI (M-L) yesterday has rung down the curtain on the Naxalite movement in the districts, according to senior police officer. He said that after Mr Bhattacharyya and Mr Haque it was Mr Saha who could run the movement independently. He made the Saktinagar area of this town a bastion for the Naxalites. Mr Saha has reportedly told the police that he would not have been arrested had he been in Saktinagar. The police officer said Mr Saha had been evading arrest for the past 10 years. He participated in the Naxalite movement in the seventies though not as a "ranked" leader, and even after the debacle of the party he could not be arrested. Mr Saha reorganized his party men, gathered committed activists and engineered radical programmes to "annihilate class enemies" the police officer said. He worked in the regional bureau of the CPI (M-L), severed his link with the bureau because of differences and joined the Second Central Committee of the Nisith Bhattacharyya-Azizul Haque faction. He led the resurgence of the Naxalite activities in the south Bengal districts, particularly in Nadia and Murshidabad. [Text] [Calcutta THE STATESMAN in English 14 Jul 82 p 16]

CSO: 4220/273



# SOLONS URGE GOVERNMENT TO WITHDRAW FROM OPEC

Kuala Lumpur NEW STRAITS TIMES in English 21 Jun 82 p 17

[Text]

**JAKARTA, Sun. —** Two Parliament members have urged the government to consider taking Indonesia out of Opec — the first such call by ruling party politicians.

Angry about Opec-mandated production cutbacks, they questioned whether membership in the Organisation of Petroleum Exporting Countries addressed Indonesia's needs.

Indonesia, Opec's third largest producer as well as its poorest, has a production capacity of 1.64 million barrels a day but has been asked by Opec to cut down to 1.3 million barrels.

Its oil exports dropped by US\$1 billion (M\$2.2 billion) in the first three months of 1982 compared to the same period last year because of Opec-inspired production cuts.

## Cutback

Coming at a time of sharp drops in other commodities exports, it was a significant decline for a nation of 150 million which draws nearly 70 per cent of its income from oil revenues and has a per capita income of only US\$520.

The resentment caused by the cutback flared in Parliament on Friday.

Most Opec members are Arab States which have heavily invested their oil bonanzas in developed countries like the United States

and Britain," said Parliament member Yan Mokoginta.

"They pay too much attention now to the needs of the industrialised countries. It would be better for the Indonesian government to rethink Indonesia's membership of Opec," he said.

His statement was echoed by Miss Susantini Sukono, who, like Mr Mokoginta, belongs to the ruling Golkar party and serves on the House's Commission on Energy.

"The more we look at Opec, the more we can see that it is an organisation which is losing its teeth," Mr Mokoginta said. "Before being Opec members, we

must think of our own interest."

It was the first time Members of Parliament belonging to the pro-government majority openly questioned Indonesia's Opec membership.

But Mines and Energy Minister Subroto assured the House Commission on Energy that "Indonesia will remain a good Opec member."

His comment reflected the official stand that in the long run membership is good for Indonesia, a stable developing country which spurred itself from being 5th in the 13-member oil cartel to its third largest producer. — UPI

## TREMENDOUS INCREASE IN USE OF COAL ANTICIPATED

Kuala Lumpur BUSINESS TIMES in English 3 Jul 82 p 9

[Article by Warief Djajanto in Jakarta]

Text]

BURIED somewhere beneath the verdant rain forests of East and South Kalimantan is a rich coal reserve which has attracted foreign investors eager to cash in on its potential. Conservative estimates place the reserves at one billion tons.

On Nov. 2, 1981, the state-owned coal corporation, PN Tambang Batubara, signed a joint-venture agreement with American- and European-based firms of PT Arutmin (Arco and Utah), PT Utah Indonesia (Utah Exploration, Incorporated) and PT Agipconcol (Agip SpA and Consolidated Coal of Indonesia Ltd) for the exploration of the coal reserve.

Under the agreement, the foreign companies would explore an area totalling 2.83 million hectares in East and South Kalimantan, known in colonial times as Borneo.

The contractors were given one year within which to undertake their survey of the project and another three years to explore the coal reserves before actual construction and mining operations start.

Indonesia would earn an annual lump sum of US\$100,000 in provincial tax (*ipeda*) from the operation, exclusive of corporate tax and other levies. Another 13.5 per cent of the coal production would be given to Indonesia.

Last April 8, another contract for coal exploration was signed by PN Tambang Batubara and a Western joint venture covering an area of 790,000 hectares in East Kalimantan. The joint venture, called PT Kaltim Prima Coal, is composed of CRA (Rio Tinto) of Australia and British Petroleum.

Two coal mines, the Ombilin in West Sumatra and the Bukit Asam complex in South Sumatra, are operating in Indonesia under the PN Tambang Batubara. Both were established during the colonial era.

Ombilin is being expanded at an estimated cost of US\$244.2 million. The programme is expected to boost the mine's production to 1.35 million. The programme is expected to boost the mine's production to 1.35 million

tons a year by 1990, from only 241,000 tons last year. Ombilin has a known reserve of 173 million tons.

The frenzied activities in the coal mining sector may just be the beginning. Indonesia, a major oil producer in South-East Asia, plans to accelerate the development of its coal reserves to ease its dependence on oil for its energy needs.

Oil provided 80 per cent of the national energy requirements in 1980, followed by natural gas at 16.28 per cent, hydroelectric power at 2.9 per cent and coal at a marginal 0.51 per cent.

Expansion of the production of all energy sources is underway. In a recent speech, Minister for Mines and Energy Dr Subroto said that by 1990, natural gas would provide 20 per cent of the nation's energy requirements, hydropower, 6.5 per cent; coal, 11.24 per cent; and geothermal, 1.8 per cent.

Dr Subroto said with the shift to non-oil fuel sources, Indonesia's domestic oil consumption would drop to 60 per cent by 1990.

This year, Indonesia's coal production is expected to reach 415,000 tons, 398,000 tons of which would go to the domestic market.

Projections indicate substantial production increases starting in 1986 when coal output is expected to increase to 3.28 million tons. By 1990, Kalimantan would produce 15.49 million tons of coal.

But while Indonesia now exports coal, this situation may not hold for long. By 1990, Indonesia's coal requirements would reach 16.64 million tons, thus outstripping domestic production of the commodity.

The tremendous increase in local coal consumption over the next eight years is due to increase demands by petrochemical and power firms.

In the current Third Five-Year Plan (1979-84), Indonesia has earmarked 2,504 billion rupiahs (US\$4 billion) up to the fourth year for mining and energy development. Of this amount, 646.1 billion rupiahs (US\$1 billion) would be spent on the mining venture. — Depthnews Special

## MILITARY COOPERATION AMONG COALITION MEMBERS IS UNLIKELY

Kuala Lumpur BUSINESS TIMES in English 28 Jun 82 p 19

[Article by Catherine Campbell in Bangkok]

[Text] THE formation recently of a coalition of Kampuchean resistance forces has shed little light on the future of the small, shell-shocked nation of Kampuchea, Western diplomats said here.

The leaders of the three main Kampuchean resistance groups, who signed a joint declaration giving birth to the coalition government of Democratic Kampuchea recently in Kuala Lumpur, hold only a tiny western fringe of Kampuchean territory.

Their hold on the loyalties of five million Kampucheans, ruled since January 1979 by the Hanoi-backed government of President Heng Samrin, is impossible to determine.

Former head of state Prince Norodom Sihanouk, 59, who became president of the coalition, is generally agreed to be its best hope of gaining world support and firing the patriotism of his impoverished countrymen.

### Blatant bid

The vice-president of the coalition, Khieu Samphan, is the leader of the ousted Khmer Rouge government, which still legally represents Kampuchea at the United Nations.

The Peking-backed Khmer Rouge are still

widely reviled for killing more than a million Kampucheans during their harsh rule from 1975 to 1979.

Fear of a Khmer Rouge return to power, fanned by Vietnamese propaganda, still haunts many Kampucheans, visitors to the country say.

The Vietnamese charge that the coalition is merely a mask for the Khmer Rouge and a blatant bid to gain them respectability and ensure their UN seat by linking them with Prince Sihanouk and former Premier Son Sann.

### Clause

"And the Vietnamese may be right," a Western diplomat said.

Son Sann, who heads the three-year-old Khmer People's National Liberation Front (KPNLF), joined the coalition as Prime Minister only because it could mean international aid for the KPNLF, his followers said.

Both Son Sann and Prince Sihanouk have denounced the Khmer Rouge for their excesses, including the killing of the Prince's relatives.

"The coalition is bringing together three leaders who don't like each other and have nothing in common except their desire to drive the Vietnamese out of their country,"

an Asian diplomat said. "Who can imagine what will happen?"

The joint declaration on the coalition, which emerged after almost a year of fruitless talks, makes clear that each of the three groups maintains its own identity and that all decisions of the coalition would be made by consensus.

"It also provides an escape clause for the Khmer Rouge," a Western diplomat said. "If the coalition reaches an impasse, the legal government of Kampuchea reverts to the Khmer Rouge alone. The Khmer Rouge seem to have everything they wanted."

"Prince Sihanouk has said he is not optimistic about the coalition and it's not hard to understand why," the diplomat went on.

The question of aid to the coalition is one of the main uncertainties in its future, the diplomats said.

"Talk of military aid from the West and South-East Asia was a carrot used to encourage the Kampucheans to unite," one diplomat said.

"But now that it has come to the crunch no country will admit to being willing to provide military aid," the diplomat added.

"Non-communist countries are promising political support and humanitarian assistance, but Kampucheans had more than that in mind," he said.

The Chinese-armed Khmer Rouge, with about 30,000 guerillas, are the major fighting force against an estimated 200,000 Vietnamese troops in Kampuchea.

China has also provided some arms to the approximately 8,000 KPNLF soldiers and Prince Sihanouk's Moulinaka force, which numbers little more than a thousand. Military cooperation among the three groups was extremely unlikely, diplomats said.

The first task for the coalition is to establish a base where the three leaders can meet regularly and where the coalition could be established as a political entity.

Khieu Samphan lives mostly in the Khmer Rouge-controlled western Kampuchean jungle, while Son Sann commutes between France and his KPNLF bases along the Thai-Kampuchean border about 280 km (175 miles) north-east of Bangkok.

Prince Sihanouk has said he too will settle on the volatile border, temporary home for about 200,000 other displaced Kampucheans. — *Reuter*

## SON SANN EXPECTS TO RECEIVE MILITARY, OTHER AID

Kuala Lumpur NEW STRAITS TIMES in English 24 Jun 82 pp 1, 4

[Article by Zainah Anwar]

[Text]

**KUALA LUMPUR, Wed.** — The new coalition government of Democratic Kampuchea will step up its guerilla activities against the Vietnamese occupying forces "until they can't sleep well", said Prime Minister Son Sann today.

"We have no pretensions that we can fight the Vietnamese out of Kampuchea but we will sabotage them everywhere. We will hit them and run. Hit and run. We will disturb their positions," he told the *New Straits Times* in a special interview.

Explaining why he and Prince Norodom Sihanouk had joined hands with the China-backed Khmer Rouge, Mr Son Sann said this was imperative to increase pressure on the Vietnamese from inside Kampuchea.

Asean, he said, has put political pressure on Vietnam and the Western countries and Japan have put economic pressure, but "after all that, Vietnam is still there."

"I have to accept the

coalition to increase guerilla action and to show the world and Hanoi our mutual determination to liberate our country," said this 71-year-old economist who was a Prime Minister under Prince Sihanouk's rule.

This, he added, was also the message he had left for his fighters and supporters before leaving his base inside the Thai Kampuchea border for the signing ceremony here.

Asked if he expects to lose any support, Mr Son Sann said no, not if he can explain and the world Press can help him explain why the coalition was established.

Speaking softly and slowly, the tall, thin Premier pointed out the important clause in the draft agreement which states that each faction shall retain its own organisation, political identity and freedom of action, including the right to receive and dispose of international aid specifically granted it.

He said this means that the Khmer People's

National Liberation Front (KPNLF) that he leads remains autonomous.

Only five members will be inside the coalition — he and four others who will be Ministers to jointly head the four coordinating committees with representatives of the Khmer Rouge and Prince Sihanouk's Moulinaka group.

The rest of his men, which he said number 9,000 armed and 3,000 unarmed, will remain "in our own organisation, our own nationalist front."

He said if there was no such clause in the agreement and his fighters had to join forces with the Khmer Rouge, "they'll never accept my decision to join the coalition."

"Every one of us had at least one or two or sometimes whole families killed by the Khmer Rouge. To ask us to join forces with the Khmer Rouge as in the call for a United Front in 1980 is impossible."

While the fear and hatred for the genocidal regime of the Khmer Rouge still remains, Mr Son Sann also made it clear that their common enemy is now Vietnam.

Yes, he was pressured to sign the agreement,

but the pressure came from Vietnam, he told the Press conference after yesterday's signing.

## Fight

Of the next step, he expects to receive more aid from the international community — both humanitarian and military aid.

The KPNLF, he said, has 3,000 soldiers who are ready to fight tomorrow if they have the arms. The group's military school is training commanders who can take charge of 20,000 new soldiers.

"We have the manpower. We have no problems getting recruits. But we're waiting for weapons."

He proudly said that former generals, colonels and marshals living in exile in the US and France are now returning to help lead the fight against Vietnamese forces.

General Sak Suthsakhon, the last Chief of General Staff and head of an interim military government just before the Khmer Rouge takeover of Phnom Penh, has also returned to the border to join the KPNLF, said Mr Son Sann.

## SIHANOUK: ACCEPT KHMER ROUGE OR LOSE KAMPUCHEA

Kuala Lumpur NEW STRAITS TIMES in English 28 Jun 82 p 2

[Article by Hoo Ban Kee]

[Text] PENANG, Sun. — His hair is short-cropped, white but still thick. A smile flashes across his youthful face easily and as he pours out his thoughts on the woes of his people and nation, he is still an animated conversationalist, whether in French or English.

Sixty-year-old Kampuchean statesman, poet and playwright, Prince Sihanouk hardly fits the image of a resistance movement leader.

But when he talks about the fertile soil, the lush padi fields, the rivers, the lakes teeming with fish and the people of Kampuchea, his heart is very obviously with his war-torn beloved motherland and his long-suffering people.

He was explaining the reasons why he must join hands with the Khmer Rouge, who killed two of his children, and the Khmer People's National Liberation Front in forming the coalition government of Democratic Kampuchea and why his people must accept this government.

He said at his hotel suite overlooking the beach here: "I have not changed. But at 60, I am less flamboyant and more realistic now. I have also gained more wisdom.

"As a patriot, I cannot refuse joining the unified nationalist resistance movement so that we will have the support of the whole of Kampuchea and the outside world.

"And I think more and more of people will accept this reality. Because to do otherwise would only play into the hands of the Soviet Union and Vietnam."

Prince Sihanouk said since the signing of the declaration in Kuala Lumpur to form the coalition government, of which he is President, there has been a change of heart and spirit among his people and that even the Khmer Rouge was gaining support in Kampuchea.

More and more people realise that they have to accept the Khmer Rouge or "they will lose Kampuchea to become one of the provinces of Vietnam."

The Prince may be bitter over what happened in his country but he did not show it. He recalled a string of Vietnamese and Kampuchean friends who, he said, are now either still his friends or his deadly foes. But he showed no obvious bitterness.

Recalling how he lost two of his children in 1975, he said: "It was in September in Peking. Chairman Mao and Premier Chou En Lai told the Khmer Rouge in my presence not to kill me, my wife, Princess Monique and our children."

"But they killed my other two children (not by Princess Monique).

"The Khmer Rouge was told not to send me to the co-operatives and that was why I was kept in the palace but under house arrest."

He said he did not want any more disputes with Khieu Samphan or Son Sann because the real enemy now was the Vietnamese.

"I told them once the coalition government is set up, they should be the administrators and I will take on my role as the spokesman and diplomat to gather international support for the movement."

He said there was no overnight solution to the Kampuchean problem as the Vietnamese forces in Kampuchea were still strong and they are "stubborn."

However, he said that with the forming of the coalition government which he will launch in early July, the Vietnamese have been dealt a weakening blow politically and diplomatically and "that is why they are very angry now in condemning us as accomplices of the United States and China."

He predicted that the Vietnamese would launch a serious attack against the Khmer Rouge and other anti-Vietnamese forces in Kampuchea once the current rainy season is over.

The former Head of State said the coalition government would adopt the Vietcong-type guerilla tactics in fighting the Vietnamese and he foresees "many, many difficult days ahead."

## Food

He likened the Vietnamese to the Americans during the Vietnam war. They could not operate effectively during the rainy seasons when their heavy military hardware got bogged down and they had to retreat to the towns.

The new coalition government would have no fixed headquarters, no fixed buildings or places so that the Vietnamese would never be able to locate their positions.

He however pointed out that one of the greatest handicaps faced by the resistance forces is shortage of food, particularly by his faction, the Moulinaka.

He said the faction was 5,000 strong and needed military aid and food.

Prince Sihanouk then quoted a French proverb which says that one cannot fight on an empty stomach.

When the interview came to an end, the Prince started commenting on the 1982 World Cup matches which reminded me of what he had said earlier:

"I am not a changing Prince...But there are two Sihanouks now." — Bernama.

## COALITION SHOPPING FOR WEAPONS IN SINGAPORE

Kuala Lumpur NEW STRAITS TIMES in English 29 Jun 82 p 15

[Text]

**SINGAPORE, Mon. —** Prince Norodom Sihanouk brought the new Kampuchean resistance coalition's "arms shopping mission" today to Prime Minister Lee Kuan Yew and said Singapore is already offering "semi-military" aid.

Singapore government officials declined to specify what types of aid would be supplied, but Prince Sihanouk said that so far it included mine detectors and other non-weapon equipment.

Prince Sihanouk, the flamboyant former Kampuchean leader, said he was optimistic he could clinch a deal with Singapore to buy small arms. The tiny but economically powerful nation manufactures and sells machine guns, mortars and other light weapons.

"I understand that the form of aid will be semi-military," Prince Sihanouk told reporters after talks with top Singaporean officials. "We are looking forward to the supply of mine detectors which we need urgently."

There was no immediate comment on the talks between Prince Sihanouk and Mr Lee.

Prince Sihanouk's resistance group has joined with the factions led by his former Premier, Son Sann, and communist Khmer Rouge leader Khieu Samphan, in a cooperative effort to battle the Vietnamese-backed government — and the 180,000 Vietnamese troops — occupying Kampuchea.

A priority is obtaining weapons for the 40,000 men the coalition will have under arms.

"We want arms and we want humanitarian aid," said Prince Sihanouk's Press adviser, Peng Cheng. "The Prince is at the moment on an arms shopping mission."

Prince Sihanouk is hoping for aid as well from other members of Asean nations. U.S. officials have indicated they might supply some aid to the non-communist elements.

"Apart from this we are also looking for humanitarian aid in the form of rice, sugar, clothing so that we will be able to meet the requirements of a battle well ahead of us," said Peng Cheng. — UPI.

CSO: 4220/635

## KAMPUCHEA

### BRIEFS

CUBAN RAUL ROA DEATH--Phnom Penh, 16 Jul (SPK)--Chea Sim, chairman of the National Assembly, recently sent a message to Flavio Bravo Pardo, chairman of the National Assembly of the Republic of Cuba, and to Raul Roa Garcia's family expressing his most sorrowful condolences on the death of Raul Roa Garcia. Chea Sim emphasized that the death of Raul Roa Garcia is not only the loss of an eminent militant of the party and the state of the Republic of Cuba but is also a loss of a sincere friend of the Kampuchean people. Comrade Raul Roa Garcia dedicated the whole of his life to the revolutionary work of the Cuban people and greatly contributed to the reinforcement of friendship and solidarity between the Cuban and Kampuchean peoples. His death is a loss for the Cuban people as well as for the Kampuchean people. [Text] [BK170805 Phnom Penh SPK in French 1428 GMT 16 Jul 82]

JAPANESE DELEGATION--Phnom Penh, 27 Jul (SPK)--A Japanese delegation led by Tamagawa Gakusho, vice chairman of the Pan-Japanese Young Buddhists Association, arrived in Phnom Penh on Monday, 26 July, for an official visit to Kampuchea. It was greeted on its arrival by Min Khin, deputy secretary general of the KUFNCD National Council; Bonze Um Sum, vice chairman of the Phnom Penh Municipal Front Committee; and other personalities. [Text] [BK270543 Phnom Penh SPK in French 0411 GMT 27 Jul 82]

CZECHOSLOVAK GREETINGS--Phnom Penh, 15 Jul (SPK)--The Central Committee of the Czechoslovak Communist Party has sent a greetings message to the KPRP Central Committee on the 31st founding anniversary of the KPRP (28 June). The message said, among other things: Continuing the glorious tradition of the Indochinese Communist Party, your party led by the Kampuchean people in their difficult struggle for national and social liberation against the oppression of colonialism, imperialism and internal reaction toward victory. It mobilized Kampuchean patriots to overturn the regime of the criminal Pol Pot clique and opened for them a road toward a joyful and free life. The decisions of the Fourth KPRP Congress will be successfully implemented under the leadership of the party and with the close cooperation of countries in the socialist community. We note with satisfaction that the relations of fraternal friendship and close and friendly cooperation between our parties and peoples, based on the principles of Marxism-Leninism and socialist internationalism, have developed incessantly and have deepened in favor of our nations, of the socialist community and of the communist and workers movement. [Text] [BK161154 Phnom Penh SPK in French 1435 GMT 15 Jul 82]

BULGARIAN FILM WEEK--Phnom Penh, 16 Jun (SPK)--A Bulgarian film week to commemorate the centenary of Georgi Dimitrov, sponsored by the Ministry of Information and Culture, opened in Phnom Penh this morning. Documentary films on the life and works of the leader of the Bulgarian revolution were shown. Mat Ly, KPRP Central Committee member, vice chairman of the National Assembly and vice chairman of the KUFNCD National Council; Chheng Phon, minister of information and culture; and Yit Kimseng, minister of health, attended the opening ceremony. Simeon Dimitrov, Bulgarian ambassador to Kampuchea, was also present. [Phnom Penh SPK in French 1434 GMT 16 Jun 82 BK]

MESSAGE TO GANDHI--Phnom Penh, 25 Jun (SPK)--Chan Si, member of the KPRP Central Committee Political Bureau and chairman of the Council of Ministers, today sent a message of sympathy to Indira Gandhi, prime minister of the Republic of India, expressing his heartfelt emotion upon learning about the serious material damage and losses in human lives caused by a storm in the Orissa Region. The Kampuchean leader asked his Indian counterpart to convey his profound condolences to the inhabitants of the affected region. [Text] [BK251456 Phnom Penh SPK in French 1440 GMT 25 Jun 82]

OFFICIALS VISIT SIEM REAP--Phnom Penh, 30 Jun (SPK)--On the occasion of the 31st anniversary of the KPRP, a delegation composed of Say Phuthang, member of the Political Bureau and vice chairman of the Council of State; Bou Thang, member of the Political Bureau, vice chairman of the Council of Ministers and minister of defense; and Chan Seng, member of the KPRP Central Committee and secretary of the Siem Reap-Oddar Meanchey Provincial Party Committee, visited KPRAF units in Siem Reap-Oddar Meanchey Province. Say Phuthang and Bou Thang cordially talked with cadres and combatants of the units. [Text] [BK011155 Phnom Penh SPK in French 0425 GMT 30 Jun 82]

CSO: 4200/54



PARTY CONGRESS PRESIDIUUM LISTED, CONGRESS ATTENDEES PROFILED

Vientiane NOUM LAO in Lao 15-30 Apr 82 pp 3, 19

[Article: "News Concerning the Third Party Congress"]

[Excerpts] On the morning of 27 April 1982 the Third Congress of the LPRP was gracefully opened in Vientiane Capital. The people who attended the congress are:

- 228 individuals who represented the total of 35,000 party members;
- 105 heroes, emulation combatants, scholars, and senior members involved in the party's affairs;
- 11 delegates from communist parties, the workers' parties, and national liberation movements.

The congress presidium committee consisted of comrade Kaysone Phomvihane, secretary general of the LPRP central committee; comrades in the party central committee political bureau Nouhak Phoumsavan, Souphanouvong, and Phoumi Vongvichit; Gen Khamtai Siphandon, Phoun Sipaseut, and Sisomphon Lovansai, along with Comrade Sali Vongkhamso, secretary of the party secretariat; Gen Sisavat Keo bounphan member of the central party secretariat, Sanan Soutthichak Trade Union representative; Sounthon Thepasa, Champassak Province representative; Bolang Boualapha, Saravane Province representative; Mrs Khampheng Boupha, Lao Women's Association representative; Nhiavu Lobaliayao, nationalities committee representative; Saignavong, Houa Phan Province representative; Thonglai Kammasit, Youth Union representative; Bounma Mithong, Vientiane Capital representative; Souvandi Phommali, Luang Prabang Province representative; Kham-On, representative of Phong Saly; and Khamvong, Louang Namtha Province representative.

Others who joined the presidium committee are the chiefs of the 17 delegates of communist parties, worker's parties, and national liberation movements who attended the congress.

The congress began with the national anthem and the Internationale with all the delegates standing and paying respect. Comrade Souphanouvong representing the presidium committee opened the congress by giving a memorial speech in honor of Ho Chih Minh, chairman and founder of the Indochinese Communist Party, Comrade Sithon Kommadam, Khamphui O-Visai,

Somseun Khamphithoun, all fighters and all countrymen, and the Vietnamese communists and international proletariat fighters who sacrificed their lives for the national and democratic revolution and for the protection and national construction of socialism in Laos.

The congress delegates stood silently for 1 minute.

There were 23 delegates who expressed their opinions in order: 1, Houa Phan Province; 2, Vientiane Province; 3, Phong Saly Province; 4, Louang Nam Tha Province; 5, Ministry of Agriculture, Forestry, and Irrigation; 6, Ministry of Industry and Trade; 7, Song Meuang Canton, Nong Bok District, Khammouan Province; 8, Ministry of Communications, Public Works, and Transportation; 9, representatives of teachers and students all over the country; 10, Oudomsai Province; 11, Hatsaifong District, Vientiane Province; 12, the Lao plywood factory; 13, representative of the national defense and public security forces unit; 14, Champassak Province; 15, Houn District, Phong Saly Province; 16, Xieng Khouang Province; 17, representative of the Lao State Electrification Enterprises; 18, representative of the Lao Federation of Trade Unions; 19, representative of the LPRP Youth Union; 20, representative of the Lao Women's Association; 21, Savannakhet Province; 22, Paksong District, Champassak Province; 23, [the party central committee education].

#### New LPRP Central Committee

Lao Loum are 79 percent, Lao Theung 15 percent, Lao Soung 6 percent, and the Women's Association was increased by 1 comrade more than the former set by the committee, so now there are 4 comrades on the committee. The average age of the members of the central committee is 55. All of the new central committee are veterans of two wars, and 90 percent of them have had high-level and mid-level Marxist-Leninist theoretical studies.

9884

CSO: 4206/61

INDOCHINA RESISTANCE GROUPS DENIGRATED

Vientinae NOUM LAO in Lao 15-30 Apr 82 p 20

[Article: "Indochina"]

[Text] They took their youth and ran away into the jungle, living like savages on only a few dollars from Beijing and Washington. These youth are the routed soldiers of Lon Nol, Pol Pot, Ieng Sary, Vang Pao, and Nguyen Van Thieu. At the present time they are wandering about dense jungles in a limited area of the three Indochinese countries. Their daily routines are looting, stealing, and sabotaging the peace and security of the people. The command centers for these people are Beijing, Washington, Bangkok, and other ASEAN capitals.

Because of these savage acts, these looters have been hunted and killed by the people of the three nations so much that their leaders have cried out in pain, "We cannot take it any longer, we will certainly die if this goes on."

The leaders in Beijing believe that "the enemy of my enemy is my friend." Therefore, they have given money to hire these routed and ungrateful youth to resist the power of the people in the three Indochinese countries. The CIA also openly takes part in this dirty plan. The Soviet publication KOMSOMOLSKAYA PRAVDA in its 23 April 82 issue covered an interesting story that nowadays the former mercenaries who once fought in Indochina are active again. It seems that they still want to feel the pain one more time. Not long ago Robert Brown, owner of the magazine SOLDIER OF FORTUNE which is a forum for American mercenaries in Bangkok, met with representatives of Mong exiles in Bangkok.

A training and weapons supply camp for the bandits at the present time is located in Seumow District, Yunnan Province. Here they are trained to throw hand grenades, spy, loot, hijack, and numerous other kinds of espionage. After that they will be sent to carry out their work along the Laos-China and Vietnam-China borders and in Kampuchea. However, they are always defeated and destroyed.

9884

CSO: 4206/61

YOUTH UNION PROVINCIAL SECRETARIES PROFILED, AIR VIEWS ON CONGRESS

Vientiane NOUM LAO in Lao 15-30 Apr 82 pp 6, 7

[Text] Thongphan, 49, provincial secretary of Oudomsai Province

I attended the Third Congress of the LPRP for the first time.

I am very proud to attend the historic Third Congress of the LPRP, because this congress opened after the country was completely liberated and is progressing in carrying out the 2 strategic duties of our revolution: to defend the country, and to build up socialism. During the congress I listened to a political report of the central committee by Secretary General Kaysone Phomvihane. I also heard the policy and responsibility for economic and social development of the First Five-Year Plan by Comrade Nouhak Phoumsavan of the central committee political bureau, and the amended regulations by Comrade Sisomphon Lovansai, party central committee. We all exercised our democratic right by electing the party congress central committee who are the real representatives of the workers and working people, and who also resolutely promote the solidarity of all parties, armies, and people all over our country.

After listening to many reports in the congress, I felt and realized the attention and concern of the party towards our Youth Union. Following the Second Congress of the LPRP the central committee has planned a policy to build up the Lao People's Revolutionary Youth Union, and has proposed roles for the Youth Union in the party and government, in the policy for constructing the nation, Trade Union Federation, the Women's Association, etc. Since the central committee has such a set plan, our youth have been steeled in the revolutionary fire, and this has made them steadily grow in numbers, strength, and quality.

Under the brilliance of the Third Congress, the work and role of the Youth Union were noted in the political report of the central committee. They determinedly mobilized, studied, organized, and led the Youth Union in the fight against the enemy and in protecting the country, in revolutionizing scientific technology, in production, construction, transportation, culture, arts and literature, sports, gymnastics, sanitation, and in building a new life. They trained the Youth Union members to be the reserve forces of the party.

When I go back to my province I will organize and carry out the following resolutions of the congress:

- to work in order to more widely expand the plenum of the congress over all ranks of cadres, members, and masses of the Youth Union for all tribes all over the province, and to make the congress plenum a part of the emulation in the three solidarities and four offensives among the youth, and to score achievements to greet the up and coming congress of the Lao People's Revolutionary Youth Union;

- to increase the mobilization of the Youth Union for carrying out their work in national defense and national security, and to deeply adhere to the bases;

- to improve the Youth Union in terms of politics, ideology, and a strong organization in order to be the true, active right hand and reserve force of the party.

However, to make this work a success we would like to ask all levels of the party committee and administrative authorities to facilitate things and create conditions for the Youth Union to work progressively.

Bounthan, Champassak Youth Union Secretary

On the occasion of the Third Congress of the LPRP from to [as published, no dates given] NOUM LAO had the opportunity to interview a number of representatives who attended the congress. These are the comrades who are responsible in the Youth Union and some are still young.

The following interview was done while the congress was in session.

Comrade Bounthan Patsaman, provincial secretary of the central committee of the LPRP Youth Union of Champassak Province

[Question] How many times have you attended party congresses?

[Answer] This is my first time.

[Question] We would like you to say something concerning the party.

[Answer] The party is the supreme political organization. The Lao People's Revolutionary Party is a true Marxist-Leninist party which correctly applies Marxist-Leninist theory for use in our country. The party has a clear and just policy. It organizes and leads all victories. The party considers the Youth Union as its reserve and fighting forces for building up the party.

[Question] Based on the political report by Secretary General Kaysone Phomvihane, what is your opinion concerning the party's policy towards the Youth Union (briefly)?

[Answer] There are many issues. One is an emphasis in the policy for the Youth Union to accelerate in building itself up in an allround manner. The Youth Union organization is directly under the party; the party is directly

responsible for the Youth Union and its aim is to expand its numbers and efficiency and to make the Youth Union members a useful tool for the party.

[Question] For the last question, what do you plan to do after you return to your region after the congress?

[Answer] After the congress I will apply the party's policy to the Champassak provincial Youth Union. I will determinedly improve and strengthen the Youth Union organization, and build a strong basis for the Youth Union and continue the three solidarities and 4 offensives more actively.

NOUM LAO: Thank you.

Am-Kha, secretary of the central committee of the LPRP Youth Union of Saravane

[Question] How many congresses have you attended?

[Answer] This is my first time.

[Question] How do you feel now that you are attending the congress?

[Answer] Very excited and most proud.

[Question] After attending and following many reports in the congress, what do you think about it, especially the feeling towards the party leadership and the future of the nation?

[Answer] As we all know, from the Second Party Congress to the Third, the LPRP has led the people through many difficulties. But with its creative, clear-sighted, and appropriate ideas it was able to completely liberate the country by taking power into its own hands. Since then, the country has advanced to socialism without passing through capitalism. In the past 6 years the victory of the party's leadership in protecting and constructing our country was confirmed once again. We resolutely believe in the party. The Saravane Youth Union wants to follow the party completely. The future of our beloved country is certainly bright, and it is certain that no enemy will be able to destroy it.

[Question] Very briefly, when you return to your region, what plans do you have?

[Answer] I will put the achievements of the congress into actual practice in the Youth Union in our province. There is a way to organize and train our Youth Union members to promote the party's heritage to stand out more than before. Especially in our three solidarities and 4 offensives emulation, the Saravane Youth Union will actively strengthen the mobilizing movement.

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CSO: 4206/61

EDITORIAL CITIES PARTY MEMBERSHIP FIGURES, HAILS KAYSONE

Vientiane NOUM LAO in Lao 15-30 Apr 82 pp 2, 17

[Editorial]

[Text] Our Third Party Congress has carried out its work in a creative, highly efficient, and unanimous atmosphere over 4 days, and closed on 30 April 1982 with great success and graciousness. The congress selected the new central committee to be the militant staff of the party. The new central committee unanimously selected Comrade Kaysone Phomvihane to be secretary general of the new central committee of the LPRP which consists of revolutionaries who are resolute and more educated than the other 35,000 ranking party members.

A political report was proposed at the congress by Comrade Kaysone Phomvihane, secretary general of the central committee of the LPRP. The next year's economic and social policy was proposed by Comrade Nouhak Phoumsavan of the political bureau of the party central committee, and the amendments to party regulations were read by Comrade Sisomphon Lovansai of the political survey of the party central committee. The party delegates from many provinces, ministries, departments, and factories all over the country listened to the strategic duties, the primary goals in the economic expansion policy for the future, foreign policy, and policy of party building.

The Youth Union members along with all the Lao people are happy to welcome the political report proposed by Secretary General Kaysone Phomvihane, our most respected leader, and the other documents of the Third Congress of the LPRP. These documents are most significant for our nation's purity. Their aim is to provide Lao people of all races a life under conditions of peace and prosperity. The political report reflected our party's prudence and its high willingness to be responsible to our country.

All Youth Union members and all the Lao people have followed the work of the Congress closely. Everyone felt extra happy for its success. The Third Congress has opened a new page in our history. Opinions concerning the congress all confirmed the great success and excellent lessons that the party and the people have scored in all working areas since the time of the Second Congress in February 1972. These victories are made possible by the correct, creative, and prudent leadership of the central committee led by

Secretary General Comrade Kaysone who is a resolute communist. The newly elected central committee represents the knowledge and fighting forces for the party which is truly Marxist-Leninist. The central committee consists of comrades from the second party central committee and new and strong comrades who have been outstanding in fighting for the country and in constructing socialism. This will help to increase the fighting strength of the new central committee even more.

Based on the opinions of fraternal communist delegates who highly assessed the party's role, and the people who praised the results of the work and training, our friends in Asia, Africa, Latin America and Europe all support our party's policy in constructing and protecting our socialist country, in bringing our country which is considered to be underdeveloped forward in the world, and causing it to be a country of peace, independence, and unity. Also, the international organizations affirmed its deep hold among the nations. Young Lao workers and people of all races all over the country will remember and perform their work with great success concerning the political report and socialist economic policy in the coming year. Concerning the party's amended regulations, the secretary general of the central committee said that "the duties of the party, the army, and all the people still weigh heavily. We have to fight against all tricks aimed at invading us and the confusion the enemy has created. We must protect our complete independence, our sovereignty, and our land. We must build our country, and ensure the people of all races in our country a peaceful and happy life. At the same time, we must save for the construction of socialism, our country's permanent growth."

Every youth is the right hand and the front line of the party, and will determinedly and honorably do everything possible to achieve the work assigned by the party and the country.

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CSO: 4206/61



KAYSONE AWARDS HONORS TO UNITS, INDIVIDUALS

BK220700 Vientiane Domestic Service in Lao 0000 GMT 22 Jul 82

[Decree by the prime minister of the LPDR on the awarding of medals and government certificates to units and individuals--dated 13 July 1982]

[Text] In view of the policy of the party and government to commend various units, localities, cadres, combatants, workers and state employees who have contributed to the glorious success and great historic victory of the Third LPRP Congress;

In view of the outstanding achievements of various bases;

In keeping with the suggestions and approval of the chiefs of all subcommittees responsible for serving the 1982 Third Party Congress; and

With the approval of the congress guidance committee and the Standing Committee of the Supreme People's Council, the LPDR prime minister has agreed to:

Article 1: Bestow labor medals and government certificates of commendation on various collective units, cadres, combatants, workers and state employees, as follows:

1. Bestow labor medals on 350 units and 2,351 individuals:
  - A. 8 individuals attached to the subcommittee responsible for the entertainment of domestic guests;
  - B. 29 individuals attached to the subcommittee responsible for the entertainment of foreign guests;
  - C. 166 individuals attached to the service subcommittee;
  - D. 57 individuals attached to the propaganda and decoration subcommittee;
  - E. 1,371 individuals attached to the public security subcommittee;
  - F. 350 units and 715 individuals attached to the national defense subcommittee; and
  - G. 5 individuals attached to the work content subcommittee.

2. Present government certificates of commendation to 292 units and 2,686 individuals:

A. An individual attached to the subcommittee responsible for the entertainment of domestic guests;

B. 180 individuals attached to the service subcommittee;

C. 25 individuals attached to the subcommittee responsible for the entertainment of foreign guests;

D. 7 units and 48 individuals attached to the propaganda and decoration subcommittee;

E. 285 units and 1,988 individuals attached to the public security subcommittee; and

F. 434 individuals attached to the national defense subcommittee. [numbers of individuals as heard]

Article 2: This decree comes into effect on the date of its signature and the congress guidance committee and the organizations concerned are authorized to organize ceremonies to mark the conferring of medals and the presentation of certificates in an appropriate and timely manner.

[Signed] Kaysone Phomvihane, prime minister of the LPDR

Vientiane, 15 July 1982.

CSO: 4206/66

SOUPHANOUVONG BESTOWS MEDALS ON UNITS, INDIVIDUALS

BK220536 Vientiane Domestic Service in Lao 0000 GMT 22 Jul 82

[Decree by the president of the LPDR on the awarding of medals to collective units and individuals--dated 16 July 1982]

[Text] In view of the policy of the party and government to commend various units, localities, cadres, combatants, workers and state employees who have contributed to the glorious success and great historic victory of the Third LPRP Congress;

In view of the outstanding achievements of various bases;

In keeping with the suggestions and approval of the chiefs of all subcommittees responsible for the service of the 1982 Third Party Congress, unanimously approved by the congress guidance committee; and

Acting on the decision of the subcommittees of the Standing Committees of the Supreme People's Council and the Council of Ministers, the LPDR president has agreed to:

Article 1: Bestow freedom and labor medals on collective units, cadres, combatants, workers and state employees of all subcommittees who have scored outstanding achievements in fulfilling tasks in service of the Third LPRP Congress, as follows:

1. Bestow medals of freedom, first class on 11 units--5 units attached to the public security subcommittee, 5 units attached to the national defense subcommittee and another attached to the work content subcommittee.
2. Bestow medals of freedom, second class on 20 units and 18 individuals--11 units and 16 individuals attached to the public security subcommittee, 9 units attached to the national defense subcommittee and 2 individuals attached to the work content subcommittee.
3. Bestow medals of freedom, third class on 31 units and 241 individuals--14 units and 25 individuals attached to the public security subcommittee, 2 individuals attached to the subcommittee responsible for the entertainment of domestic

guests, 13 individuals attached to the service subcommittee, 3 individuals attached to the subcommittee responsible for the entertainment of foreign guests, 18 units and 190 individuals attached to the national defense subcommittee, and other individuals attached to the work content subcommittee. [all figures as heard]

4. Bestow labor medals, first class on 8 units and 15 individuals--5 units and 15 individuals attached to the public security subcommittee and three other units attached to the national defense subcommittee.

5. Bestow labor medals, second class on 25 units and 180 individuals--3 individuals attached to the organizing subcommittee, 16 units and 164 individuals attached to the public security subcommittee, 9 units and 11 individuals attached to the national defense subcommittee, and 2 other individuals attached to the work content subcommittee.

6. Bestow labor medals, third class on 58 units and 581 individuals--2 individuals attached to the subcommittee responsible for the entertainment of domestic guests, 8 individuals attached to the organizing subcommittee, 17 individuals attached to the service subcommittee, 11 individuals attached to the subcommittee responsible for the entertainment of foreign guests, 10 units and 19 individuals attached to the propaganda and decoration subcommittee, 48 units and 453 individuals attached to the public security subcommittee, 65 individuals attached to the national defense subcommittee and 6 other individuals attached to the work content subcommittee.

Article 2: The decree comes into effect on the date of its signature and the congress guidance committee and the organizations concerned are authorized to organize ceremonies to mark the awarding of the medals in an appropriate and honorary manner.

[Signed] Souphanouvong, president of the LPDR

Vientiane, 16 July 1982.

CSO: 4206/66

NATIONWIDE STATISTICS ON COOPERATIVIZATION REPORTED

Vientiane VIENTIANE MAI in Lao 12 Jun 82 p 2

[Column: "Conversations With the Editor"]

[Excerpts] [Question] I would like to ask you more about agricultural co-ops: 1- How many complete agricultural co-ops are there nationwide? 2- How many farmers have become co-op members? How much cultivated land was there formerly? also, where are the most outstanding co-ops?

[Answer] 1. The outcome for agricultural co-op construction over a 3-year period and the statistics of the 1981 report are that of 103 districts nationwide a total of 1343 co-op units have been set up in 60 districts. These include 37 districts that have advanced to engaging in intensive agriculture, with 1,959 hectares per unit. The area for agricultural co-ops is 429,205 hectares.

2. Based on the 1981 statistics there are a total of 441,497 agricultural co-op members. Provinces having agricultural co-op units set up in the bases where 70-80 percent of the farmers have become co-op members are Xieng Khouang, Phong Saly, and Oudomsai.

The outstanding co-ops are the agricultural co-op unit in Ban Phon Savan, Sayaboury, whose net income per co-op members is 5,800 kg of rice per year, on the average, and the agricultural co-op unit in Ban Don Dou, Vientiane Capital. The income per member is over 1 ton of rice per year on the average.

For other units the total average income per member is only 350 kg of rice per year, which is still considered low. However, some units have their own ploughing tractors, rice mills, water pumps, etc. This indicates the growth and expansion of the conversion to agricultural co-ops.

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CSO: 4206/63

DRIVE TO COLLECTIVIZED AGRICULTURAL PRODUCTION DESCRIBED

Vientiane VIENTIANE MAI in Lao 4, 5 Jun 82

[Conversations With the Editor Column]

[4 Jun 82 p 2]

[Text] [Question] Dear Editor: I have always followed your column in VIENTIANE MAI and have never before written to you, but today I have a question about something which I know, but when I try to put it into practice I am confronted with some difficulties. My questions are as follows.

1. How can we propagandize or guide farmers to convert from their private, small, scattered production to collective production, especially agricultural co-ops? Also, what is the best way to do it?

I hope you can help me. Best wishes to you and your colleagues.

Thank you.

Young Mobilizing Cadre

28 May 82

[Answer] Dear Comrade who uses the pseudonym "Young Mobilizing Cadre": In fact, you are directly and primarily a driving force in mobilization. We propagandize by means of newspapers, and participate in mobilizing on a broad scale. Thus, our answers in the newspaper deal mostly with discussions of general policy. As for other small problems, these are the responsibilities of cadres in each specialized task to change, expand, and use whatever means possible. Although I am not a good mobilizer and lack experience and knowledge, I would like to share with you something we have learned from our research concerning the question you raised. Whatever is useful you should put into practice, but if there is still something lacking please forgive us.

1. The policy concerning the conversion to agricultural co-ops that our party and government have specified is correct, consistent and appropriate with socialist production and building foundations and socialist agricultural production. Before progressing to the basic agricultural co-ops, the party and government has set a policy for converting small, scattered production to collective production, for example, the labor exchange and gathering together to form collective production. The next step is to set up an agricultural co-op. Now, whenever the requirements are met an agricultural co-op can be set up right away. The next step after agricultural co-op is agricultural settlement, which is high-level production in socialism, because agricultural settlement production is modern, scientific, and progressive.

I have discussed something quite advanced and many people still do not understand this issue. It is necessary that farmers study it seriously, especially the expansion of socialist production that we have been discussing, starting from exchanging labor to a complete agricultural co-op, and the next step of agricultural settlement.

[5 Jun 82 p 2]

[Text] We are a little off the track, so we shall try to stick to the real issue. We want to define the meaning of the term agricultural co-op. An "agricultural co-op" is a complete organization for agricultural production in which farmers voluntarily put in their tools, land, equipment, and labor together in order to carry out collective work.

This is what we found in a Bulgarian text, but it added the criterion of member acceptance as "one who has a right to become a member of an agricultural co-op must be at least 17 years of age. Farmers must contribute all their cultivating land. However, the co-op still leaves one-half hectare for them to own for family production, along with domestic animals. The co-op will leave some for them, e.g., animals for milk. There can be up to 5 domestic animals in one family, 2 pigs including suckling pigs, and 2 goats or sheep. There is no limit on the number of ducks and chickens. As for horses, it depends on what you want to do. Tools used in production that people put in together have their value assessed by the co-op and after they have put them into the co-op they cannot take them back." What makes it different from us is that tool owners have the right to take back their tools when they withdraw from co-op membership. "When a co-op accepts members it provides training for them within the village. As for the land which previously was scattered, when it is put into the co-op it will become land with no boundary lines except for the amount set aside for members to cultivate for their families." This is different from ours.

The above is a lesson from Bulgaria. Whatever you think is good you can apply to your own situation, but you must be careful [to make sure] it is suitable for the situation in our country, and ignore that which is not suitable for us.

Concerning propaganda for converting farmers to join agricultural co-ops, Professor Bakarov, a Bulgarian agriculturalist, has given an explanation. The Bulgarian people also did not like agricultural co-ops, just like us. In the first mobilization there were a small number of people who applied to join. When they knew it was not going to work out, the mobilizing Bulgarians started using a new propaganda technique by making use of the youth to help in mobilizing. For example, they used young students, the farmers' own sons, to mobilize their own parents. When the parents could no longer withstand their sons' pleas they agreed to become co-op members. However, when the bulldozers came to take out the boundaries of their fields the father or mother would lie down in front of the bulldozer to block the way, because they felt regret at losing the land they had inherited. This happened in Bulgaria but not in our country, and in particular in Bulgaira in 1944 after it was newly liberated. I have discussed this because I want you to compare the experience of one country after its liberation and how they were able to set up agricultural co-ops. As I said earlier, what is good we should learn from them, but this does not mean we should copy everything from them.

Another excellent way concerning propaganda to mobilize farmers to join agricultural co-ops is "the truth." What is the truth? The truth is to "actually do it." It means we must set up an example of an efficient agricultural co-op, wuch as the one in Don Dou Island now. When we have a good and progressive agricultural co-op and the farmers see that it can actually work, they will willingly and enthusiastically join it, and at this time those who could not become members would really be upset.

It happened the same way in Bulgaria, based on what Professor Bakarov has told us. He said that before they could attract people to join agricultural co-ops, the government first of all had to set up an example for the farmers to learn and to deeply abosrb, and to see the new production techniaues. This is a good way which I agree with. Regarding the party's policy concerning agricultural co-ops, he said that the change to agricultural co-ops is the party's policy concerning production organization and re-arrangement of the work in order to construct the material and technical base in rural areas, and the help the people to have organization and only agricultural co-ops so these will lead us to achieve the revolution in scientific technology. Moreover, converting to agricultural co-ops is a revolution in ideology and culture; it is a way to produce new socialist men in rural areas at the same time."

There are many more aspects, but I would like to end for now so you can restudy this and apply it in actual practice. This is the reason I gave you examples both from abroad and from our country that you probably can understand. Therefore, we wish you luck and wholehearted support so that you will be able to succeed in your goal in mobilizing, especially in leading farmers to join agricultural co-ops. Nowadays the Lao people of the whole country are primarily responsible for the "green revolution."

Thank you.

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CSO: 4206/62



# RICE STRAIN EXPERIMENTATION RESULTS DISCUSSED

Vientiane SIANG PASASON in Lao 12 Jun 82 p 2

[Article: "Successful Rice Strain Experimentation in Salakham"]

[Text] The rice research and experimentation station in Salakham takes part in encouraging and expanding agriculture according to the policy of the party and the government.

Comrade Hatsadong, the chief responsible for rice strain research and experimentation at this station, disclosed to us that in the past 6 years, although confronted with difficulties, they determinedly worked hard to make it possible for the success of the rice strain research and experimentation, which consists of four main working groups for selecting foreign and domestic strains, expanding the strains, and experimenting with different technologies such as cultivating season, amount of fertilizer, planting time, and mixing strains.

After the time mentioned they were able to study and experiment with many rice strains, especially improved rice strains from the Philippines, for example, [IR] 8, 22, 24, 848, 253, 789, 2823, and 63. Meanwhile, they also experimented with local strains, e.g., the Sanpathong, Dokma-li, E-Deng Noi, and Kapmak strains.

Based on the research and experimentation this time, they found that the improved strain from the Philippines, paddy rice IR 848, non-glutinous rice IR 2823, and the local strain Sanpatong gave good results and fairly high quality, yielding 2.2 tons per hectare [or more]. Because these rice strains are suitable for the climate of our country they are now being expanded nationwide. For example, the Naphok seed rice production center has used the rice strains mentioned to expand this year's rice cultivating season by as much as 100 hectares.

Last year the rice experimentation in Salakham also experimented with an Indonesian rice strain, non-glutinous B 1014, whose yield is good. The rice stalk is resistant to worms, aphids, and locusts. It yields up to 4.7 tons per hectare, higher than the world average which is only 4.6 tons per hectare, but this rice strain has not yet been expanded in our country.

As for mixing strains, comrade Hatsadong said it is a new job for us. However, the station mentioned mixed Sanpatong and IR 848 rice which gave rather good results, and they named the mixed strain Salakham rice. However, it will take eight seasons before it becomes a complete strain.

Based on the above we believe that the Salakham rice research and experimentation station will advance its work and its important contribution to steadily raise agricultural production efficiency, and also will forever reinforce and strengthen the obligation between workers and farmers.

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CSO: 4206/63

## BRIEFS

VIETNAMESE TABLE TENNIS TEAM--Vientiane, July 12 (OANA/KPL)--Phoumi Vongvichit, deputy prime minister and minister of education, sports and religious affairs, this morning received the visiting table tennis delegation from Vietnam. The deputy prime minister, on this occasion, warmly welcomed the delegation led by Nguyen Dac Tho, which has brought with it the spirit of sportsmanship and special solidarity of Vietnamese people to the Lao people. "The matches of friendship," Phoumi Vongvichit said, "will contribute to the strengthening of friendship ties among sportsmen of the two countries." Phoumi Vongvichit, on the occasion, asked the visitors to convey fraternal greetings to the Vietnamese leaders, sportsmen and people. The Vietnamese table tennis team held here the first match of friendship, on July 11, with the Vientiane municipality team. [Text] [BK121121 Vientiane KPL in English 0915 GMT 12 Jul 82]

PHOTO EXHIBITION ON DPRK--Vientiane, 28 Jun (KPL)--A photo exhibition was inaugurated here on June 25 to mark the month of solidarity with the Korean people's struggle against the U.S. imperialist aggression (June 25-July 27). The photo exhibition was jointly organized by the Lao Committee in Support for Peaceful Reunification of Korea and the embassy of the Democratic People's Republic of Korea. Outtama Chounlamani, deputy minister of education, sports and religious affairs and vice chairman of the said committee, and the Korean ambassador to Laos, Yun Chong-sop, delivered speeches at the inaugural ceremony. The militarist policy of the U.S. imperialists in general, and the stationing of troops along with the introduction of most sophisticated weapons jointly implemented by the puppet regime in South Korea were denounced by the speakers. It was also stressed that the U.S. policy poses dangerous threat to peace and stability in the region and the world. The two men also denounced the scheme of the U.S. imperialist and their Korean puppet which (?insists on) dividing Korea. [Text] [BK020745 Vientiane KPL in English 0910 GMT 28 Jun 82 BK]

YOUTH UNION PEACE RALLY--Vientiane, 29 Jun (KPL)--A rally hailing the success of the 19th Congress of the All Union Leninist Young Communists League (Komsomol) and the 11th Congress of the World Democratic Youth Organization was held here, on June 26, by the Central Committee of the Lao People's Revolutionary Youth Union [LPRYU]. Present on this occasion were Thonglai Kommasit, head of the LPRYU CC, and other representatives from various youth organizations. The visiting Soviet delegation of Komsomol led by its foreign relations deputy-head, Yevgeniy Verbitskiy, was also on hand. [Excerpt] [Vientiane KPL in English 0912 GMT 29 Jun 82 BK]

BULGARIAN SONG, DANCE TROUPE--Vientiane, 5 Jul (OANA/KPL)--The visiting song and dance troupe of the Central Council of Bulgarian Trade Union, last night gave its first performance at the National Theatre. This dance troupe which also visits Vietnam and Kampuchea gives performances to mark the 100th anniversary of Georgi Dimitrov's birth. The performance, [which] included lively presentation of folk dances and songs, was warmly welcomed by the audience. [Text] [BK101009 Vientiane KPL in English 0857 GMT 5 Jul 82 BK] Vientiane, 8 Jul (OANA/KPL)--Sanan Soutthichak, member of the Lao People's Revolutionary Party and president of the Lao Federation of Trade Union, yesterday received the visiting song and dance troupe of the Bulgarian Trade Union. The Bulgarian folk troupe headed by Liuben Sapunoziev, had a warm and cordial discussion with the host. The folk troupe left [for] home on the same day after a 5-day visit in Laos. [Text] [Vientiane KPL in English 1002 GMT 8 Jul 82 BK]

CONSTRUCTION ACHIEVEMENTS--Vientiane, 19 Jul (OANA/KPL)--The Lao Front for National Construction, on July 16, held here a ceremony to review the last 6 months of its activities. President of the front, on this occasion, highly appraised the success of the Lao Front for National Construction which contributes to the success of the SRD National Congress of the Party. [Text] [BK191225 Vientiane KPL in English 0949 GMT 19 Jul 82]

REFUGEES RETURN--Vientiane, 17 Jul (OANA/KPL)--A total of 133 Lao refugees deceived by the counterrevolutionary propaganda on July 13 returned home from the refugees' camps in Thailand. They were warmly greeted at the Deua immigration office, Hatsaifong District, Vientiane Province, by local administrative authorities of Lao, Vientiane and Thai Nong Khai provinces and the representatives of the national committee for social security and war veterans, and those from UN High Commissioner for Refugees in Laos and Thailand were also on hand. Earlier this month, 29 refugees were also warmly received in southern Savannakhet and Champassak provinces by local administrative committees. [Text] [BK171057 Vientiane KPL in English 0933 GMT 17 Jul 82] Vientiane, 16 Jul (OANA-KPL)--More Lao refugees recently returned to their native land in the southern Savannakhet and Champassak provinces. The official ceremonies were organized by the local authorities of Lao, Savannakhet, Champassak, Thai Nakhon Phanom and Ubon [provinces]. Representatives of the UN High Commissioner for Refugees were also on hand. [Text] [BK161142 Vientiane KPL in English 0915 GMT 16 Jul 82]

REFUGEES WELCOME--On 2 June 1982, 323 Lao refugees comprising 70 families returned from Thailand to their native land in Houai Sai District of Luang Namtha Province. A ceremony to welcome the refugees was held in Houai Sai District between Thai officials from Chiang Khong District of Chiang Rai Province and the local administration of Houai Sai District, and was witnessed by UNHCR representatives. At present, the refugees are undertaking a course to appreciate the correct policy of our party and state. They will be subsequently sent back to their native land as they wish. [Text] [BK270506 Vientiane Domestic Service in Lao 0000 GMT 26 Jun 82]

VIENTIANE YOUTH UNION MEMBERSHIP FIGURES--On the occasion of the Third Congress of the LPRP along with the competition to score achievements to greet the congress, over 1400 Youth Union members in the ranks of the Lao People's Liberation Army, public security forces, ministries, divisions, equivalent organizations, factories, schools, and hospitals in Vientiane City and Province signed pledges before the party and the nation saying that they resolved to increase and tighten domestic solidarity and unity among the people all over the country, as well as international unity, to determinedly increase national defense and security work and economic, educational, and cultural expansion, and to build new lives and improve and strengthen the Youth Union. Many Youth Union members signed their pledges with their own blood. There is news that nowadays the Youth Union members in many other provincial areas also signed pledges swearing themselves to the party and the country. [Text] [Vientiane NOUM LAO in Lao 15-30 Apr 82 p 2] 9884

NEWSPAPER DISTRIBUTION IN NORTH--To ensure that the propaganda policy as well as the plenums and orders of the party and the government reach all localities on time, last June the propaganda service of Louang Namtha Province opened two additional SIANG PASASON newspaper distribution branches in Namtha and Sing Districts, increasing the number of newspaper distribution branches in this province to 4. Up to the present time the SIANG PASASON newspaper distribution branches have been improved and expanded nationwide. For example, previously [people] in mountainous and hard to reach areas had never received any newspapers, but now that the distribution has been set up the newspaper is being read on a regular basis. [Text] [Vientiane SIANG PASASON in Lao 12 Jun 82 p 1] 9886

SOVIET EXPERTS IN PAKSAN--More than 10 Thai communist terrorists moving along the Thai-Lao border have revealed that there are Soviet experts assembled in Paksan preparing to cut roads through the mountains to build a radar station. A news report from Nongkhai province revealed to MATICHON that this past 27 May at 17:30 officials of Bungkap district were able to catch movements of the People's Republic of Laos. They said a helicopter from Vientiane descended at a military camp in Paktuai village in the town of Paksan, Vientiane prefecture, opposite Hokham village, Bungkap district, and that 12 Thai communist terrorists descended from the helicopter. Lieutenant Bunkong, Deputy Commander 99 of the Lao side gave them clothing, weapons, and ammunition and ordered those communist terrorist forces to join with the original forces there of 6 men at Phungu camp. The news report revealed that there are now at Paktuai village in the town of Paksan 15 Soviet experts and they have started a project to cut roads around Paktuai village into the Krate mountains, 2 kilometers north of the camp at Paktuai village, in order to set up radar stations in the Krate mountains. The report also stated that roads around Paktuai village would be expanded by 4 meters on each side to allow planes to take off and land. At present guard forces are conducting surveillance. [Bangkok MATICHON in Thai 18 Jun 82 p 3] 9937

CSO: 4207/117

TROOPS TO PROTECT TRAVELERS ON HIGHWAY NEAR THAI BORDER

Kuala Lumpur NEW STRAITS TIMES in English 22 Jun 82 p 5

[Text]

**KROH, Mon.** — Users of the East-West Highway have been assured that the security forces will do their best to safeguard their safety.

The army and police are combining their efforts to maintain security along the route, Deputy Defence Minister Abang Abu Bakar said.

At present more than 3,000 troops have been deployed to look after the area, he said after a visit to the 10th Infantry Brigade here.

The troops are stationed at 61 military posts from Grik in

Perak to Jeli in Kelantan, and their camps are no more than 2 km apart.

While no petrol stations have been set up yet, in the event of any vehicle breaking down the army will provide assistance, the Deputy Minister said.

Abang Abu Bakar also gave an assurance that the economic recession and the Government's cutbacks in spending will not have any serious implication on the security factor along the East-West Highway.

He said security along the

highway, which is part and parcel of the nation's security, will be classified as "top priority."

The security arrangements along the highway should prove to the terrorists that they would be taking a lot of risks if they were to "harass" the area, Abang Abu Bakar said.

The recent clash between the CPM proper and its break-away Marxist-Leninist faction (CPM-ML) in the north-east of Betong across the border from here should not affect the security situation along the highway— Bernama.

CSO: 4220/636

## SABAH MINISTERIAL APPOINTMENTS; HARRIS IN LAST TERM

Kuala Lumpur BUSINESS TIMES in English 22 Jun 82 p 22

[Text]

TWO Sabah state ministers, Datuk Yap Pak Leong and Datuk Joseph Pairin Kitingan, have resigned and two assistant ministers have been promoted in a Cabinet reshuffle announced yesterday.

Chief Minister Datuk Harris Salleh told a Press conference in Kota Kinabalu that their resignations were designed by the Berjaya Party to enable second-echelon leaders to take over.

Datuk Yap, Minister of Town and Country Development, and Datuk Pairin, Minister of Resource Development, were reappointed to their second term in the Cabinet after the state elections last year.

The two new ministers appointed are Assistant Minister to the Chief Minister, Mr Stephen Wong, who takes over from Da-

tuk Pairin while the Assistant Financial Planning and Development Minister Datuk Conrad Mojuntin has been appointed the Minister of Culture, Youth and Sports.

Datuk Mojuntin takes over from Encik Ayub Aman who replaces Datuk Yap.

Two new assistant ministers have also been named. They are Mr Marcel Leiking, a political secretary to the Chief Minister, and a lawyer, Mr Chong Kah Kiat.

Mr Leiking takes over as Assistant Minister of Town and Country Development from Mr Mynoor Gingo, who moves to the Ministry of Financial Planning and Development while Mr Chong is the new Assistant Minister to the Chief Minister.

Datuk Harris said both

Datuk Yap and Datuk Pairin would remain as State Assemblymen and vice-presidents of Berjaya.

Asked what he meant by his statement that their resignations were "designed" by the party, the Chief Minister said: "Certain ministers will take turns to resign so that Berjaya will be better prepared to face the next state elections."

Datuk Harris then disclosed that he would step down as Chief Minister after serving his present term which lasts until the next state elections, due in 1986.

"This is definitely my last term as Chief Minister. It is my hope to carry on until the next elections because there are still many things to do, to put things right in Sabah," he added. — Bernama

CSO: 4220/636

## MALAYSIA TO STAY IN ITA, JOIN TIN PRODUCERS' ASSOCIATION

Kuala Lumpur BUSINESS TIMES in English 21 Jun 82 pp 1, 24

[Excerpt]

**MALAYSIA** will be a member of the sixth International Tin Agreement (ITA) despite its initial reluctance because of poor support from the consumer countries.

However, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday that a tin producers' association, first proposed in February, will also be formed.

He said it was necessary for the producers' association to operate simultaneously with the sixth ITA so as to protect producers' interests.

Speaking to reporters after chairing the Umno Supreme Council meeting in Kuala Lumpur, Datuk Seri Dr Mahathir said the sixth ITA would not by itself be effective in safeguarding the interests of the producers and as such a producers' association was needed.

Initially, the Asean tin ministers, who first met in May had agreed in principle to the formation of the producers' association if the sixth ITA does not come into force.

But in the light of developments at the last Unctad-sponsored meeting of signatories to the sixth ITA in Geneva the three were understood to have now agreed to its formation even with the agreement in force.

The Asean ministers,

**THE** United States has expressed concern "in a very general sense" about the move to form a council of tin producers in the Association of South-East Asian Nations.

US Deputy Secretary of State Walter Stoessel told a Press conference on Saturday that the question of American sales of surplus tin and the move to form a tin producers' council came up during his talks with the Asean Foreign Ministers.

Primary Industries Minister Datuk Leong Khee Seong, Thai Industry Minister Tun Chatichai Choonhavan and Indonesian Mines and Energy Minister Dr Subroto, who met in Kuala Lumpur over the weekend, are said to have coordinated their views and stand which will be presented to the resumed Unctad-sponsored meeting in Geneva starting June 23.

It is understood that Malaysia, Thailand and Indonesia are expected to impose certain conditions for their participation in the agreement. It is, however, not immediately clear what these conditions are.

After the last Geneva meeting, Malaysia was reluctant to join the sixth ITA as it felt that in the prevailing circumstances producing countries would be placed at a disadvantage.

The main disincentive is that while membership of the agreement would

bring on constraints under its provisions, the major consuming countries who will not join, like the United States, would not be tied down by any restrictions.

It has also been noted that an agreement with fewer participants would put greater financial strain on the members to maintain the buffer stock.

Besides, the small membership will mean that the buffer stock size would be reduced and the question that is uppermost in Malaysia's thinking is whether the buffer stock operation would be effective with the reduction.

Even under the current extended agreement producer countries have been disenchanted with the buffer stock operations because it has not been effective in proping up the metal price which has stayed on the buffer stock floor price of \$29.15 a kilogramme.

**SINGAPORE, June 20**

Asean's concern on American tin sales and their impact on tin prices was brought up by the Asean ministers, particularly by Malaysian Foreign Minister Tan Sri Ghazalie Shafie.

"I will convey their sensitivities on this question to Washington. As far as we are concerned, we are interested in further discussions on this issue and the offer still stands," Mr Stoessel said. — Bernama ES-AFP

At this price the buffer stock manager **MUST** support the metal by buying but he has not been able to as he has reached the limits of current financing approved by the council.

The export quota, which the producers asked for and which the consumers grudgingly conceded at a minimal level has not been effective as the cut is too small to have any impact on the estimated 70,000 tonnes of excess tin overhanging the market.

This lack of effectiveness of the buffer stock operation and the meaningless export quota have prompted Malaysia to decide in favour of a producers' association to run in tandem with the sixth ITA.



## SURVEY FOR HIGH VOLTAGE CABLES BETWEEN EAST, WEST MALAYSIA

Kuala Lumpur BUSINESS TIMES in English 5 Jul 82 p 2

[Text]

A GERMAN research vessel, RV Sonne, will begin a hydrographic survey of the 620 km submarine cable route between Tanjung Datu on the western tip of Sarawak and Tanjung Sedili on the east coast of Johore tomorrow.

The survey, which forms a crucial part of the proposed Sarawak-Peninsula high voltage direct current (HVDC) link, is to determine the optimum route in the

South China Sea in terms of security and economy for the four submarine cables which account for 80 per cent of the cost of the proposed \$5 billion HVDC system.

A statement by the Sarawak Electricity Supply Corporation (Sesco) in Kuching yesterday said that the feasibility study of the transmission of 1,500 Mw of electrical energy from Sarawak's hydropower resources to Peninsular Malaysia had

started at the beginning of last month.

The study was in collaboration with the National Electricity Board and a consortium of German consultants under the German Technical Cooperation Programme extended to the Malaysian government by the Federal Republic of Germany.

The technical programme also covered the hydrographic survey of the submarine cable

routes between Tanjung Datu and Tanjung Sedili, Sesco said.

The 23 scientists on board the 3,865-tonne RV Sonne will carry out detailed mappings of the seabed and subsoil profiles, analysis of the marine geological features, temperatures and current measurements, location of obstructive objects against cable installation such as pipes, wrecks and other detailed charting of the proposed cable route.

All irregularities and declivities of the seabed will be recorded and the microscopic activities at the sea bottom checked.

The survey is expected to cover a cable route corridor width of 1,500 metres to be completed within two months.

Eighteen trips have been scheduled and the results of the survey will influence the design, laying and burying method of the cables.

The statement also said the decision on the detailed study of the HDVC scheme was made after it was confirmed in the electricity master plan study for Sarawak that it was a technically viable economically attractive project.

The master plan study completed in April last year was jointly done by the same consortium and Sesco under the same German technical programme. — Bernama

## NEPAL

### TRADE INCREASES WITH TIBETAN REGIONS

Kathmandu THE RISING NEPAL in English 19 Jul 82 pp 1, 6

[Text] Kathmandu, July 18--Nepal's trade with the Tibetan Autonomous Region of China has recorded a marked spurt in its favour in the financial year 1980-81.

According to the Trade Promotion Centre (TPC), the Kingdom exported goods worth Rs. 68,279,000 as against an import of Rs. 17,282,000 to Tibet in the FY 1980-81 thus recording a favourable trade balance of 50,997,000.

According to the figures made available by TPC, Nepal has always enjoyed a favourable trade balance with the Tibetan Autonomous Region since the last nine years.

Among the major items exported to Tibet are rice, cloth, carpets, soyabeans, peanuts, cottage industry products, processed leather, woolen goods, jute bags and medicinal herbs. There are about twenty-five other items exported to Tibet.

Similarly, among the fifteen important items imported from that region, the major ones are raw wool, readymade garments, sheep and goats, cloth, kitchenware and the like.

The above figures are, however, based on only import-export figures recorded at the Tatopani Customs.

There are seventeen major trade marts spread over fourteen districts through which Nepal-Tibet trade is regularly carried out. The trade points include Olanchungola and Kangladeorali in Taplejung, Kima Thanka, Popatiya and Thudham in Sankhuwasabha, Nangpala in Solukhumbu, Kodari in Sindhupalchowk, Rasuagadhi in Rasua, Larke in Gorkha, Chharkabhot in Dolpa, Yari in Humla, Mugu (Namja) in Mugu, Urelek in Bajhang, Tidar in Darchula, Nimesi in Mustang, Lambagar in Dolkha and Lajung in Manang.

Nepal's trade with the Tibetan Autonomous Region constituted two percent of its total international trade in the financial year 1980-81 while its import from that region accounted for 0.5 percent of its total import from abroad that year, the figures being based on only those available at the Tatopani Customs, the TPC sources added.

Three trade points--Kodari, Rasua and Yari--are mentioned in the trade agreement with China for regular trade with Tibet while traditional trade between Nepal and the Tibetan region continues through other routes as well. Of the three most important routes, Kodari accounts for the largest volume of trade while there is no exact trade figures from the other two routes because "no mechanism has yet been developed" to record the flow of trade in these two routes, TPC sources said.

The Kodari highway was disrupted by heavy rains last year. An agreement has since been signed with the Chinese Government for repair of the damaged section of this important trade route.

CSO: 4220/272

NEPAL

BRIEFS

FOOD SHORTAGE--Katmandu, 17 Jul (AFP)--This year there have been food shortages in 59 of the 75 districts because of maize and wheat crop failures. The inhabitants of poor villages have been forced to eat food substitutes such as wild fruit, bamboo seeds and wild yams. [Excerpt] [BK181237 Hong Kong AFP in English 0800 GMT 17 Jul 82]

CSO: 4220/271

FORMULA PROPOSED FOR CURTAILING NUMBER OF PARTIES IN ELECTION

Karachi JANG in Urdu 23 May 82 p 3

[Editorial: "Proposal To Reduce the Number of Political Parties"]

[Text] Whenever President Gen Mohammad Zia-ul-Haq mentions the obstacles to elections, he also refers to numerous political parties. In this regard, he recently said that there are 78 political parties in the country. How can the elections prove beneficial under these circumstances? Elections are possible if the number of political parties is reduced to two or three. This has prompted various political circles and leaders to express their reactions, and various proposals have come to the forefront. The distinguished law expert and political leader S.M. Zafar's proposal in this regard is very realistic and solid. Even government circles, indeed the president too, have been discussing the proposal, which is to hold elections on the basis of proportional representation. Mr S.M. Zafar has also suggested that political parties obtaining less than 3 percent of the votes should be declared defunct. After consulting political parties in this regard, he has also suggested that the three-percent limit be extended to 5 percent. No doubt this proposal deserves serious consideration. This method, of reducing the number of political parties, is highly democratic and positive. The reaction of the public and political circles to the proposal to hold elections on a nonparty basis has not been encouraging. Democratic circles favor elections based on proportional representation. Holding elections on this basis, therefore, can positively limit the number of political parties by declaring all those parties that receive less than a specific number of votes ineligible for elections.

9779

CSO: 4203/135

PRESIDENT URGED TO POSE POLITICAL CHANGES FOR PUBLIC COMMENT

Karachi JANG in Urdu 21 May 82 p 3

[Editorial: "The Proposed Presidential Address"]

[Text] According to one source, President Gen Mohammad Zia-ul-Haq will address the nation on radio and television on 5 July to mark the fifth anniversary of his rule. Besides outlining the details of the plan that he and his colleagues have in mind for the country's political system, he will also announce a definite plan for future general elections. Earlier, after the president's informal meeting with the editors, a somewhat similar impression had been given. Later, however, it was clarified that the president was not expected to speak on 5 July; instead, he would address the nation at the beginning of Ramadan. Anyway, this change does not make much difference since there are only a few days difference between the two dates. In 5 or 6 weeks, therefore, the president can be expected to outline his views and intentions concerning the future political system and the program for elections. This is good news in the sense that there are plans to clarify something the entire country is anxious to know about--the administration's policies and plans. As we have written in these columns earlier, after 5 years of martial law, at least the lines on which the government wishes to solve the political situation of the country should be clarified and the rules and conditions that it has in mind for holding elections should be made known to all. Once the government's views on these vital issues are clarified, the trend of political demands will change. It is very possible that some elements will disagree with a certain part or parts of the political program announced by the president. They can also express their dissatisfaction at his proposed timing for elections. But at least the demand that the government make an announcement on the holding of elections, and the present tension related to this demand, will end.

President Gen Mohammad Zia-ul-Haq and his colleagues have served the country with their best capabilities and pious intentions for the past 5 years. They have also worked day and night to reform and develop various sectors of national life. In any country, however, especially developing countries, there is a difference and a gap between the public expectations and the functioning of the government on the basis of various historic, economic and social factors. This causes public restlessness and dissatisfaction. If, after every 4-5 years, the people of these countries are given an opportunity

to judge their rulers and elect new ones, their restlessness will not take a wrong path. Instead, during the election campaign, due to the unveiling of various facts, people gain political knowledge and understanding and display a preference and recognition for reality in their expectations. In Pakistan, too, after a lapse of 5 years, various sectors are expressing some restlessness and agitation. If they know that they are going to elect their rulers for the next 4 or 5 years, the present gradually increasing feeling of distrust and dissatisfaction with inflation, law and order, the incapability and corruption of the administration and the anxiety over the functioning of the other departments will all change their course. Public attention will be centered on the elections for future rulers under the proposed new political system. Under these circumstances, therefore, we feel that the government would be wise to announce its political program and electoral system.

We are not yet sure whether President Zia-ul-Haq's government has already completed the formulation of its proposed political structure or if this is still under consideration. We also do not know whether in his expected speech the president will announce his final decisions or will present his proposals for the review of his countrymen. It would be preferred, however, if the president would present the new guidelines he has in mind for political advancement in the form of suggestions and ask individuals and institutions to give their opinions within a specified time. Then, in the light of various proposals and recommendations received, the president could finalize the formation of the future political system. This is essential, since there is mixed reaction to the indications so far made by the administration to change certain features in the proposed political system according to the 1973 constitution. An overwhelming majority of the political circles in general has disagreed with this change. On this basis, therefore, it is essential first to present to the public the new political conceptions in the form of proposals and then, after 2 or 3 months of careful study, it could be finalized. Elections on a nonparty basis, accommodation of the army's permanent political role in the constitution, proportional representation, the method of setting standards for the candidates and differences and distinctions between registered and unregistered parties are all essential problems. Any decisions about them can have far-reaching effects.

Before announcing the final decisions, therefore, these factors should be presented for broad national opinion, so that after carefully studying all the aspects of these problems, a constitution could be formed that would have long-lasting benefits for the country and harmonize with the highest national objectives. It is hoped that the president's proposed address will be a source of clearing the political air so that we can clearly discern our goal. The nation's best wishes are with the president.

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CSO: 4203/134

# INDIA'S REGIONAL DESIGNS CALL FOR NATIONAL UNITY

Karachi JANG in Urdu 21 May 82 p 3

[Article by Irshad Ahmed Haqqani: "India's Latest Policy and Our Responsibilities"]

[Text] Pakistan's efforts begun last September to end the tension and normalize relations between Pakistan and India met with problems right from the start. For almost 5 months, India maintained a negative attitude towards Pakistan's proposal for a nonaggression pact. After giving all sorts of clarifications and assurances, the first round of discussions at last commenced at the end of January. At the conclusion of the talks, both foreign ministers gave an impression of "considerable progress" and indicated the possibility of fixing a time for the next round in the near future. However, after only a few days, there were obvious signals from India that it was not really interested in pursuing the dialogue further. Therefore, when the Pakistani journalists accompanying Mr Agha Shahi returned to Delhi after touring certain areas of India, they met with Mr Narasimha Rao, who told them that the date for the next round of talks had not yet been fixed, since "we have not yet been able to exchange with your Foreign Ministry the memorandum for the dialogue." He also said that since the matter under discussion was vital, everything should be in writing. This reply from the Indian foreign minister indicated that the chances of proceeding quickly with the talks were dim. Later, it was said that the second round of talks would be held by 15 February in Islamabad. This was then postponed to 22 February. Finally, the date of 1 March was decided, but as we are all well aware, the talks were postponed under the pretext of a speech, rather a hint be Mr Agha Hilali about the Kashmir problem. Since then, Pakistan had been making continuous efforts to reschedule the talks. At times, there were indications that led to the belief that the talks might be resumed. Therefore, 2 hours prior to his departure, the former Indian ambassador to Pakistan, Kanwar Natwar Singh, revealed in an interview with an English journalist that his first priority on his return to Delhi would be to try to resume the suspended talks and, in the capacity of his new assignment, he might personally lead the Indian delegation to Pakistan. During the same period, Mrs Indira Gandhi went to London. At that time, it was also said that the decision to resume the talks had been made and Mrs Gandhi would herself make an announcement about this. During this time period, Indian official sources never mentioned the proposal for the friendship treaty. They did mention the



Joint Commission, but the impression never was given that India wished to concentrate only on its own proposals during the talks.

On one or two occasions, the President of Pakistan did say that our actual offer was about the nonaggression pact and we would like to give it preference. Indian sources never stressed their willingness for a dialogue, although they went on mentioning their own proposal regarding the friendship treaty alone. During the past 10 days, however, or to be more exact, after Mrs Indira Gandhi's visit to Saudi Arabia, Indian sources began to speak out their proposals more vividly. Three or four days ago, All India Radio announced that Pakistan had rejected the proposal for a treaty of friendship. At this, Pakistan's foreign minister, Sahabzada Yaqub Khan, issued a detailed statement and clarified that Pakistan was not against a treaty of friendship. In the first place, however, India has not offered a formal proposal and second, the treaty of friendship should be made after the no-war pact. Soon after that, the Indian foreign minister, Mr Narasimha Rao, clearly announced that since there is mistrust between India and Pakistan, a no-war pact is impossible. This was a decisive announcement, after which it appeared meaningless and useless for us to press for the resumption of talks.

During this time, Mrs Indira Gandhi was busy with her election campaign and everywhere she mentioned the extreme dangers linked with Pakistan's preparations for war. Although one of the underlying factors of her excessive reference to the alleged danger from Pakistan was her election campaign, it did reveal here unconciliatory attitude and efforts to promote the fantasy of war. Recently, during an interview with an American newspaper, THE WASHINGTON POST, she severely criticized the military aid granted to Pakistan. She has gone so far as to say that the Soviet Union can express its anger with Pakistan in many ways. One of them is that it can persuade the Baluchis to create disruption. She said that American aid is not beneficial for Pakistan either. It creates problems for India, too. Furthermore, there is tension concerning Pakistan in neighboring countries also. Mrs Gandhi said that Pakistan could say that it had accepted no obligation during its bargain with America and had not allowed its neutrality to be affected in any way. The outside world, however, cannot accept this fact, and it still feels that Pakistan has moved extremely close to America. This could have the effect of instigating the Soviet Union.

India's refusal to resume talks on a nonaggression pact, Mrs Gandhi's constant criticism of American aid to Pakistan, the accusation that the Simla Agreement is ignored and, during her recent interview, special comments on the Soviet Union and Baluchis are all factors indicating that Pakistan's efforts begun in September 1981 to promote better relations between the two countries have virtually concluded with no signs of success. Not only that, but the tension is being promoted in a new manner. Besides, it must also be kept in mind that Mrs Gandhi is giving extraordinary significance to her proposed visit to America. During her election campaign in West Bengal and Kerala, her severe attacks on the opposing Communist Party were merely part of her campaign rhetoric but, at the same time, Mrs Gandhi did make the communist philosophy and system a target of her criticism. Several times she has been heard to say that America is a great and vital country and we give great

importance to our friendship with it. Against this background, it should not be difficult to determine what lines Mrs Gandhi would pursue during her talks with President Reagan. She has already said that she would protest to Mr Reagan that the United States is creating problems for India by supplying F-16 planes and other equipment to Pakistan. This entire situation invites the Pakistani people in particular to think and deliberate. We need to think over what we should do to combat this on the internal front and what should be our priorities with regard to foreign relations. The disharmony of the regional situation was evident even before. After Mrs Gandhi and Mr Narasimha Rao's recent statements, it has become even more obvious. Besides other factors, it is imperative that we further unite our internal frontier and try to better coordinate our national efforts and strengths. The prime requisite for this is to create harmony and concordance among all the essential segments of national life. In this regard the current situation leaves much to be desired. It is obvious that there is a need for some big political move. Will the authorities fully grasp this fact?

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CSO: 4203/134

# OFFICIAL SECTOR CRITICIZED FOR FISCAL EXTRAVAGANCE

Karachi JANG in Urdu 23 May 82 p 3

[Article by Irshad Ahmed Haqqani: "Improving the Ratio of Savings Is a National Requisite; In Spite of \$3 Billion Remittance From Pakistanis Working Abroad, Our Balance of Payments Is in Jeopardy and We Are Always Begging for Further Loans; The Ratio of Savings Will Not Improve as Long as Government Officials Themselves Fail To Adopt Simplicity"]

[Text] Savings Week is currently being celebrated throughout the country. During its recent inauguration, the president exhorted his countrymen to adopt simplicity and to economize and to save a portion of their earnings to provide resources for the country's construction and development projects.

What Gen Zia-ul-Haq said is obviously beneficial. Nevertheless, if we review the elements of national life, our attitude as a nation is regrettably unsatisfactory. Not only do we ignore what we should do to improve the situation, but our actions are totally contrary to the national interest. Pakistan's economy is crushed under the burden of loans. We are confronted with extreme deficits in trade transactions. In spite of \$3 billion in remittances from Pakistanis working abroad, our balance of payments is in jeopardy and we are forever begging for further loans. We are ever ready to obtain loans available from any consortium of banks. Every year, we go to the World Bank and Western countries imploring them for loans. We request extensions in the payment of previous loans and interest and if there is no chance of success, our national honor appears to be in danger. On the one hand we claim to adhere to Islam, which enjoins us to stay within our means. The Holy Koran teaches us to be neither extravagant nor miserly but to follow the middle path. The Holy Prophet (peace be on him), whose teaching we declare as the first pillar of Islam and whom we call our leader and guide, says that "I am honored with the generosity of the heart." Our situation, however, is that we top the list of all those nations of the world that spend the largest ratio of their national resources on extravagance. The minister of finance, Ghulam Ishaq Khan, recently told the Advisory Council that among all the nations of the world, the ratio of extravagance is the highest in our country; with regard to savings, we are behind most developing countries. We ourselves utilize 80 percent of our national output. Instead of being ashamed, we are proud of this fact. Under these circumstances, therefore, nothing can be accomplished by celebrating Savings Week merely as a customary ritual. We need to do much more than that.

Although this is a repetition of what has been said before, there is no recourse unless the ruling sector and the wealthy lead the way to create the atmosphere of saving. The present government has certainly taken steps to manage the economy. But no clear progress has been made to reduce unproductive expenditures and to create an atmosphere of simplicity and economy in the official sector. Instead, annual administrative expenditures have increased to 500 million rupees, setting a record. There is not even a sign of simplicity existing in the personal and family life of the high officials; just the opposite. There is a race to raise the standard of living, which we prefer to call the standard of expenditure. Every person is desirous of acquiring and making use of luxury items. Consequently, we have become an extremely extravagant and spendthrift nation. The very idea of staying within one's means is extinct. Instead, any person or family that practices simplicity becomes the target of criticism in society, although the situation should be just the contrary. Simplicity and economizing should be respected and admired and extravagance should be considered a social evil. Our nation, however, follows such wrong thinking that instead of surpassing in righteousness we strive to compete against each other to acquire worldly goods of luxury and show. There is no one who can stop us from this madness. Surely, do celebrate Savings Week, but you must realize that nothing will be gained from such formal, baseless and exhibitionist talk. This will not change the destructive attitude that has become embedded in our hearts and minds. The official sector will have to modify itself to bring about a change in the national trend. They will have to control their expenses and form a habit of simplicity and saving. Only then will society's general attitude change.

The people's mode of living will change. If the present government had paid full attention to this matter and had created an atmosphere of simplicity in the country, besides other benefits it would not have faced such an enormous and forceful demand for increased compensation from various sectors. In addition, the government would have been, to a great extent, successful in reducing dependence on foreign loans. We suggest that even now the administrative body should set a practical example of simplicity and reduce government expenditures. No one should be given permission to serve more than one or two dishes at a reception. If the host displays extravagance and shows off his wealth, leave the gathering to express your displeasure. This is the only way to end the current craze--demonstrate some expression of sensibility. Although it is an old saying, it is very true that people follow the path and ways of their leader. Our decisive view is that as long as government officials themselves are not determined to adopt simplicity and make it a tradition, the ratio of savings will not improve, no matter how many savings weeks are celebrated or exhortations are made. One ounce of setting an example carries more weight than a ton of exhortations.

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CSO: 4203/135

## BRIEFS

PANEL FOR SICK UNITS--Lahore, July 16--The Federal Government is considering a proposal for the solution of problems confronting the closed down or sick industrial concerns in the country on unit-to-unit basis. In this connection a sub-committee consisting of Government officials and representatives from the private sector would be set up to prepare an in-depth survey report to be submitted to the high-ups. Official sources informed Dawn here today that the Government was keen to remove anomalies regarding loans, availability of raw material, basic infrastructure, etc. According to a survey conducted by the Government and reports submitted by various agencies concerned, a large number of industrial units are lying closed or working partially due to various policy matters. It has been put on record that owing to lack of effective measures by the official agencies, industrial production is suffering and interests on loans to the units are accumulating. In this regard the Government has categorised various industries giving priority to the solution of their problems. In this connection, textile, light engineering and steel melting and rerolling industries have been put on the top of the list. Various steps are underway for the revival of sick and semi-sick industries which include measures such as interim monetary concessions, permission for the import of machinery for modernisation and credit facilities, the sources added. [Text] [Karachi DAWN in English 17 Jul 82 p 3]

PUBLICATIONS FORFEITED--Quetta, July 16--The Baluchistan Government has forfeited the weekly Urdu magazine "Hayat," an organ of Communist party of India and the publication, namely "Jumhuria Pakistan" issue of June 26, 1982 which contain objectionable material under the West Pakistan Press and Publications Ordinance, 1963, says an official handout.--PPI [Text] [Karachi DAWN in English 17 Jul 82 p 3]

PRESS NOTE ON UNRULY CROWD--The following Press Note was issued by the Deputy Commissioner (West) Karachi on Wednesday: "this morning en route to foundation stone laying ceremony of the Aerated Lagoons Treatment Plant in North Karachi a small group of people from amongst those who had lined up wanted to petition the Governor about water shortage in the area. After the motorcade had gone past some rowdy elements indulged in brick-batting. The police had to resort to mild teargassing in order to disperse the crowd. No one was hurt."--APP [Text] [Karachi DAWN in English 22 Jul 82 p 1]

CASE AGAINST STUDENTS--The Gulshan-e-Iqbal police has registered a separate case under Martial Law Regulation No 16 against four students of Karachi University. The students, Ahmed Ali, Imtiaz, alias Guddu, Irshad and Gulzar have been accused of 'polluting the educational atmosphere' of the University campus. Two of them, Ahmed Ali and Imtiaz, are in jail--facing murder charge while the other two students, Irshad and Gulzar, are absconding. [Text] [Karachi DAWN in English 22 Jul 82 p 13]

PPP LEADER DENOUNCES AL-ZULFIKAR--London, July 21--A former Minister and Secretary-General of the defunct PPP, Dr Ghulam Hussain, told a Press conference last night that he was opposed to Al-Zulfikar and denounced it as "it has also been condemned by my party's present Chairman." The Press conference held here in Room 'W4' of the House of Commons was chaired by Labour MP Mr Ron Brown. It was arranged within 24 hours of Mr Ghulam Hussain's release from detention. He was held by the Immigration authorities over the weekend when he had tried to enter Britain from Sweden on a Swedish passport. A group of Pakistani 'dissidents' calling itself 'Campaign for the restoration of human rights in Pakistan,' led by a Pakistani lecturer, Mohammed Arif, had made arrangements for the Press conference. "I never wanted to be exchanged for PIA passenger who were hijacked by pro-Bhutto guerillas last year in March," Dr Hussain said, "That's why I did not go to Kabul when asked by Al-Zulfikar, but preferred to remain in Damascus in virtual incarceration for nearly a year till I was given political asylum by Sweden early this year." Dr Hussain had landed at Felixstowe, a port in the north, on Friday last. He was not allowed to enter Britain on his Swedish passport and was held in custody. (The holders of Swedish passports do not need any visa to come here). "During my stay here," Dr Hussain told an Indian journalist, "after celebrating Eid I would meet all the different factions of PPP now in the UK and try to unite them and hold an election of office-bearers." When asked by a British Pressman whether he was "a Pakistani or a Swedish citizen," he could not give a satisfactory answer. But he said that he was expecting his family to join him in Sweden soon. [Excerpt] [Karachi DAWN in English 22 Jul 82 p 14]

PPP HIGH COMMAND MEETING--Begum Nusrat Bhutto has called a meeting of the high command of the defunct PPP but exact date for this could not be known.--PPI [Text] [Karachi DAWN in English 22 Jul 82 p 16]

PAKISTAN TAKING BACK 5000--Dacca, July 21--Pakistan has agreed to take 5000 non-local residents in Bangladesh who had retained their Pakistani citizenship after Bangladesh broke away from Islamabad rule in 1971, Press reports said here today. The newspaper "New Nation" said that repatriation of the non-locals who are among the estimated three hundred thousand Pakistani citizens stranded in refugee camps in different parts of Bangladesh, will begin from the middle of August. The repatriation to be supervised by the United Nations High Commissioner for Refugees "UNHCR" will be financed by Saudi Arabia according to the Bengali language daily "Dainik Desh."--DPA [Text] [Karachi MORNING NEWS in English 22 Jul 82 p 8]

ACTION ON HIJACKED PLANE DEFENDED--Pakistan authorities declined permission to a hijacked Indian Airlines plane to land at Lahore Airport and took necessary action to send the aircraft back to the Indian air space from Pakistani air space in accordance with the international law against hijacking. The Foreign Ministry in Islamabad immediately informed the Indian Embassy about the incident. The Government of Pakistan is satisfied that its authorities foiled an attempt by the aircraft to land in Pakistan without causing any loss to the hijacked aircraft or to passengers on board. The effective action taken by the Pakistani authorities on this occasion will discourage any such future acts of terrorism. Observers in Islamabad have noted that the exceptional stand taken by Pakistan to deal with this incident reflected Pakistan's earnest desire to keep aloft the recognized international principles of relations among nations. They also said that such positive action will promote mutual confidence between India and Pakistan and further improve their relations. [Text] [BK041605 Karachi Domestic Service in Urdu 1500 GMT 4 Aug 82]

OFFICIAL SUMMARIES UNRELIABLE--According to a newspaper item, President of Pakistan, Gen Mohammad Zia-ul-Haq is studying the Advisory Council's reports and speeches given by members during the council's meetings. The summary of the speeches by the members has been prepared for him by the Federal Council secretariat and the problem begins here. It is the nature of the high officials to provide every ruler, as far as possible, with "everything is fine" reports. If official summaries are relied on to provide the views and proposals of the Advisory Council's members, nothing will be reflected except flattery. During the meetings, several members of the Advisory Council made bold and valuable analyses of national affairs. The essential thing is for the president to benefit from these unprejudiced proposals. If his busy schedule does not allow him to make a detailed study, it would be appropriate to tell the very members concerned to prepare a summary of their own speeches for the president's review. They are more aware of what matters need the president's attention. Otherwise, newspaper reports would prove more suitable than official summaries. [Karachi JANG in Urdu 23 May 82 p 3]

CSO: 4203/135

CANOY CALLS FOR 'MORAL REVOLUTION'

HK300438 Manila BULLETIN TODAY in English 25 Jul 82 pp 1, 9

[Report: "Call for Moral Revolution Urged"]

[Text] An opposition assemblyman asked President and Mrs Marcos yesterday to lead a moral revolution, in the wake of the assassination attempt on assemblyman Emmanuel Pelaez.

Assemblyman Reuben Canoy, one of the prime movers of the Social Democratic Party of the Philippines, said the rash of assassinations and kidnappings, both in isolated areas and in the nation's capital, the upsurge of criminality, the excesses of some civilian and military authorities, the prevalence of graft and corruption in both the government and the private financial sector should be taken as warning signs that the whole country is in trouble.

According to Canoy, more than any kind of revolution, what the country sorely needs today is a moral revolution based on the enduring virtues of honesty, integrity, service, sacrifice and hard work.

He said no better persons are qualified to lead such a revolution than President Marcos and the first lady. With their power and influence, he said, they will be able to effect a change in the personal lifestyle of those in high office, minimize or eliminate graft and corruption in the government, and thus create a healthy moral climate under which the best qualities of the Filipino can be put to work in the service of his fellowmen.

Canoy added: "If there is anything that martial law has taught us, it is that no economic, social or political reform program, especially on a grand scale, can hope to succeed unless it begins in the hearts and minds of those who propose it and those for whom it is intended."

Canoy stressed that if the present trend is left unchecked, it may lead to the destabilization not only of the government but society itself.

"While we are being conditioned to the idea that subversives and terrorists constitute a grave threat to the nation, the more serious and persistent threat is actually to be found in the apparent collapse of the moral will of our people," he said.



"It is at once easy and fashionable to blame and present deplorable state of affairs on the government and the political leadership. But that is being naive and simplistic. For in the final analysis, it is the indifference, the apathy, and the opportunism of the citizen that breeds injustice and corruption, in government and in private enterprise," Canoy said.

He continued: "More and more, it is becoming evident that majority of our people no longer concern themselves with things that they believe do not affect or afflict them personally. We see this in the failure of salvaging or the summary execution of innocent persons to elicit cries of protest or outrage. We see this in the attitude that the elimination of poverty and other social ills, is or ought to be the responsibility of government leaders alone rather than a moral concern to be shared by all members of the community."

CSO: 4220/263

PHILIPPINES

REPORT ON PHILIPPINE 'ECONOMIC DISASTER'

HK300452 Davao City PEOPLE'S FORUM in English 22-24 Jul 82 p 2

[Editorial: "Crisis in the Midst of Plenty"]

[Text] The country's economic situation today has proven itself an enigma to the common man. Despite repeated explanations on the part of the government on the why's and wherefores of economic dislocation both in the country and abroad, the situation has continued to prod Filipinos to look for frank and honest answers.

It may be quite difficult for the country's leaders to confirm the harsh predicament in which the Philippines finds itself today, but the fact remains that all sectors of society--from the lowly farmer to the legitimate bigtime traders--are wallowing in financial insecurity. A big slice of the country's population, particularly in areas that are normally unreached by any form of attention from both the private and government sectors, feels what may rightly be called a real crisis in the midst of plenty.

The deficit spending of many government offices, the rock-bottom price in the sale of copra which occasionally takes on brief palliative pricing schemes to suit political or personal ends, the hike in the prices of corn and rice despite official claims to better and bigger production every year, the high cost of raw and finished products the basic materials or ingredients of which had come from the Philippines itself--all these are unwanted monuments to the growing economic disaster that now gnaws the country.

Being part of the Third World, the Philippines is now an unwilling but helpless victim to the economic manipulations and debauchery by the powerful first world and OPEC nations. To put things bluntly in the proper perspective, the Philippines is giving the most of its best to the bigger powers and get practically nothing in return.

At this point, the people themselves should think of how they can best survive the situation with the least of government support. The dangers are real [words indistinct] as they are, Filipinos should be able to go around and about the existing economic disaster.

CSO: 4220/263

CENTRAL BANK ISSUES MID-YEAR REPORT

HK300448 Manila BULLETIN TODAY in English 26 Jul 82 p 26

[Report: "Monetary Authorities Maintaining Balance in Face of Difficulties"]

[Text] The Monetary Board of the Central Bank maintained during the first half of this year a balance between the longer-term structural adjustment strategy and the shorter-term goals of productivity, price stability and balance of payments harmony.

Central Bank Governor Jaime Laya's mid-year report to the president pointed out that the monetary authorities had to maintain the delicate balance in the face of continuing difficulties during the first semester of the current year.

The government adopted a counter-cyclical policy that on the while required increased expenditures and credits to assist adversely affected industries and push infrastructure development programs, Laya told the president.

He said the general strategy of structural adjustment continued as an integral component of the national development plan that seeks to bring to the economy to a new equilibrium in a world of high energy costs.

Among others, he cited the standing programs for export diversification, energy self-sufficiency and financial systems reforms which had to be mounted as part of the strategy. These have begun to show results, he reported.

The import liberalization program and a reduction in bank reserve requirements were carried through as scheduled. Measures leading to the further development of the capital market and the market for government securities were taken.

The trade liberalization policy continued, he said, allowing greater inflow of foreign goods to encourage Philippine industry to upgrade efficiency in order to become more competitive.

An energy window has been included in the CB rediscounting scheme that would provide preferential credit to qualified energy-generating ventures, particularly mini-hydro systems and similar projects as well as dendro-thermal plants.

Reforms also continued, he stressed, to make the financial system more supportive of the overall structural development effort.

The CB established special financing facilities to provide relief to industries and finance viable new ventures and expansion of existing enterprises. This was balanced by open market operations which saw the increasing use of treasury instruments rather than CB certificates of indebtedness.

Laya reported that more effective use of this policy tool led to the stabilization of interest rates notwithstanding the lifting of ceilings last year, and contributed to greater price stability during the period.

He said the CB adopted a more conservative program of approving foreign credits to lessen the cost of foreign borrowings. For the first time, he pointed out, the CB adopted a quantitative ceiling of 2.4 billion dollars on new foreign borrowing approvals, limiting foreign borrowing approvals only to public and private sector needs of the highest priority. The debt service ratio remained within the statutory ceiling of 20 per cent of the immediately proceeding year's foreign exchange receipts, according to Laya.

Monetary policy, while attending to the objective of maintaining stability, balanced this with the extension of financial support to vital sectors in accordance with the government's determination to sustain production and export earnings.

The new financing programs set up by the CB was designed to provide bridge operating capital and allow the restructuring of loans of distressed industries. These programs were intended to provide relief to adversely affected sectors and maintain their viability during this difficult period.

Notwithstanding the contractionary effect of the BOP deficit, he said domestic liquidity expanded to P87.596 billion as of the end of June, reflecting an increase of 6.7 percent from six months ago and 17.0 percent from a year ago.

CSO: 4220/263

## PHILIPPINES

### BRIEFS

**PAY RAISES SOUGHT**--A workers' consultative congress called by the Katipunan Mangagauwan Pilipino called on the government yesterday to order a 3 peso across-the-board increase in daily wages. The congress also asked the government to give the state workers a minimum monthly pay of 920 pesos and a 13th month salary. According to labor leaders who spoke at the congress, a family of 6 needs a daily income of 59.26 pesos in order to afford the basic necessities such as food, clothing and shelter. The congress also urged the government to stop management from resorting to union-busting and unfair labor practices to maintain industrial harmony. [Text] [HK260043 Manila Far East Broadcasting Company in English 2330 GMT 25 Jul 82]

**DISGRUNTLED GROUPS**--The Communist Party of the Philippines has launched a new drive to unite disgruntled groups with, as it puts it, real or imagined grievances against the government. Defense Minister Juan Ponce Enrile said the campaign calls for the formation of a National Democratic Front [NDF] composed of all disgruntled groups as a source of coalition to rule the country. Enrile said that the blueprint for action is contained in the 10-point program of the NDF. [Text] [OW241323 Quezon City RPN Television Network in English 1100 GMT 24 Jul 82]

**NUEVA ECIJA KILLINGS**--Government troops killed 5 suspected NPA [New People's Army] terrorists in a 45-minute gunbattle today in San Jose City, Nueva Ecija. The battle began when government troops were ambushed during a military operation against a suspected rebel hideout. Among those killed was a ranking NPA commander in the northern region. [Text] [OW271237 Quezon City RPN Television Network in English 1100 GMT 27 Jul 82]

**DAVAO DEL NORTE INCIDENT**--Government forces killed 11 NPA [New People's Army] dissidents and captured 2 others in 4 separate incidents around the country in Davao Del Norte. Five dissidents were slain by government forces during an encounter at (Sitio Mabayo) in Barangay (Binansilan), Asuncion town. Recovered from the slain dissidents were a Springfield rifle, 2 shotguns, assorted ammunition and subversive documents. In Ilocos Sur, four NPA rebels were killed in a gunbattle with PC [Philippine constabulary] troopers at Barangay (Kalawan) in Santa Cruz. Two of them were identified as (Federico Magate) and (Dione Hafalias). In Cagayan, members of the (Solana)

town police killed one NPA and wounded another in an encounter at Barangay (Laning). In Calinga Payaao, AFP [Armed Forces of the Philippines] troopers killed an NPA rebel and captured two others at Barangay (Talalan) in (Balbalan) town. Killed was (Renaldo Lunece). His two captured companions were identified as (Willi Bangawan) and (Domingo Bitanga). Meanwhile, six recently captured NPA's told the military authorities they were recruited allegedly by a Catholic priest and nun in Calinga Payaao. The captured NPA's identified their recruiters as Father (Eddie Balicao), a parish priest, and a certain Sister (Aoria) at (Poplachon), (Tabug). [Text] [OW291425 Quezon City RPN Television Network in English 1100 GMT 29 Jul 82]

SUSPECTED NPA MAN SLAIN--Bayombong, Nueva Vizcaya--A representative of an evangelical mission, reportedly a member of the New People's Army, was killed by PC troopers in Tupax town this province. The victim was identified as Placido Quizano, 40, of Santiago, Isabela, who was killed inside the house of Federico Pascua while he and two others were having breakfast with him and his wife. The reports said Pascua's wife sensed that Quizano and their two other guests were NPAs and tipped off the PC. Quizano and his companions reportedly passed themselves off as insurance agents and also as connected with an evangelical mission stationed in Isabela. Recovered from Quizano were two barangay brigade identification cards, one in his name and the other in the name of Rogelio Ramos. The PC said the second name was fictitious. [Text] [Manila PHILIPPINES SUNDAY EXPRESS in English 25 Jul 82 p 3]

FOREIGN DEBT FIGURES GIVEN--The country's outstanding foreign debt amounted to \$15,275 billion as of end-June 1982, the Central Bank reported. The amount included fixed-term external debt worth \$11,863 billion as of June 30, 1982, an increase of 4.3 percent or \$491 million over the end-1981 level of \$11,372 billion. Revolving credits as of end-March 1982 amounted to \$3.4 billion, slightly lower than the end-December 1981 level, the CB said. According to the CB, more than one-half of the total fixed term debt or \$6.988 billion was accounted for by the public sector. The increase, the CB said, was due to the borrowings of government corporations and financial institutions to finance projects such as food production, power and energy development, communication and transportation development and infrastructure. The national government accounted for 54.4 percent of total public debt, the CB said. The debt of the private sector amounted to \$4.875 billion or 41.1 percent of total outstanding fixed term as of end-June 1982. [Text] [Manila PHILIPPINES SUNDAY EXPRESS in English 25 Jul 82 p 10]

BALANCE OF PAYMENTS DEFICIT IS MANAGEABLE--Central Bank Gov Jaime C. Laya has expressed optimism that the staggering \$675 million balance of payments (BOP) deficit in the first semester this year is 'manageable' and in line with overall growth and stability objectives for 1982. In his first semester report to President Marcos, Laya said that structural adjustment policies have begun to show results and they will be continued for the rest of the year. Laya said that the general strategy of structural adjustment included standing programs for export diversification, energy self-sufficiency and financial systems reform. He added that credit measures have also been

redesigned specifically to assist adversely affected export industries, particularly the mining, sugar and coconut industries. Likewise, the authorities implemented measures to expand receipts from contract workers' remittances, income from foreign construction activities of contractors and tourism, and to further streamline investment procedures. According to Laya the promotion manufactured exports and the accelerated development and use of alternative energy sources are expected to reduce the country's vulnerability to international price changes. In the first six months, CB data show that the merchandise trade deficit rose to \$1.3 billion compared to \$889 million in the first half of 1981. Export earnings dropped to \$2.7 billion and demand and prices of traditional exports remained weak. On the other hand, imports totalled \$4.053 billion. [Text] [Manila PHILIPPINES SUNDAY EXPRESS in English 25 Jul 82 p 10]

INFLATION DECLINE RECORDED FOR FIRST HALF 82--The Central Bank has reported that consumer prices during the first semester increased by a lower 10.6 percent in contrast to 13.3 percent in the same period last year. The CB said that prices of non-food items rose by 12.3 percent during the period while those of food, beverages and tobacco increased by a lower 9.2 percent. The rise in non-food prices, the CB explained, was traced largely to the housing and repairs and services sectors. Meanwhile, the CB said that money supply reached P22.5 billion as of end-June 1982 representing an annual increase of 1.7 percent. It said that with the improvement of real interest rates as a result of deregulation and the slowing down of inflation, the anticipated increase in financial savings occurred. [Text] [Manila PHILIPPINES SUNDAY EXPRESS in English 25 Jul 82 p 10]

NPA SUSPECTS SLAIN IN CAMERINES NORTE--Six New People's Army suspects, including a woman, were slain in an encounter with Army troopers in Labo, Camarines Norte. In a report to Brig Gen Benjamin G. Santos, commanding general, 5th Infantry division, Philippine Army, Col Amando Isidro of the 45th Infantry battalion said the encounter took place in barangay Maligaya when a dozen armed men fired on a platoon patrolling the area under Ceferino Gampoy. Four of the slain NPA suspects were identified as Megardo Yago of barangay Submaken, Nardito Martinez of Labo, Anselmo Gonzales of Manila and one Ka Mercy. The rest withdrew toward Bosicon river along the Maharlika highway carrying one wounded companion. The government side suffered no casualties. Taken from the slain were one AK 47 assault rifle, one M16 Armalite, two carbines, one Thompson submachinegun, one smoke grenade, one radio cassette tape recorder, one typewriter, assorted ammunition, medical supplies and voluminous documents. [Text] [Manila BULLETIN TODAY in English 26 Jul 82 p 40]

CSO: 4220/272

## TRANSIT SYSTEM TO BE FINANCED BY SALE OF RECLAIMED LAND

Kuala Lumpur BUSINESS TIMES in English 24 Jun 82 p 19

[Article by Elsie Tan in Singapore]

[Text]

**TAKING** advantage of the world-wide recession, Singapore will build a mass rapid transit system by the sale of land that did not even exist when the system was first considered.

Estimated to cost about \$5.5 billion, the rail system will be the most expensive single project even undertaken on the island. It is scheduled for completion in the 1990s.

The government wants to begin quickly in order to exploit the construction slowdowns in many parts of the world, Communications Minister Ong Teng Cheong said.

He said the government hoped to get lower prices from foreign equipment suppliers and contractors who are suffering from the recession.

### Indecision

Speed is also necessary to bear cost escalation, he said. Pegged at a mere \$850 million when the idea was first mooted in 1967, cost estimates had shot up to about \$5 billion by 1979.

A key factor that finally pushed the government to go ahead after 15 years of indecision was the potential land revenue from a newly reclaimed area near the busy central business district.

This 255 hectares of land reclaimed from the sea, with millions of tons of landfill, is expected to be developed into a new

business centre commanding high land prices. Connection to the transit system will make access easier to the spit of land jutting into the harbour, and allow even higher prices to be charged.

With land in the central business district going for as high as about \$55,000 a square metre, property sources believe that land sales will more than pay for the system.

Property consultant Trent Prentice, however, warned that oversupply of office space in and around the central business district is expected in 1984 just as the construction on the transit system gets underway.

Some eight million square feet of office space is planned or under construction and will be available in the next few years, compared to the average demand over the last few years of about one million square feet a year, Mr Prentice of Asian Appraisal said.

He said demand and supply of office space should reach an equilibrium in late 1983 or early 1984, after which there will be a surplus.

He said, however, that the problem will not be too serious.

The chairman of the International Chamber of Commerce, Mr R.W. Lutton, was confident that the government would be able to raise enough money from the sale of the reclaimed land.

He said the project was well-timed, fitting in

with the coming completion of construction activity on the island.

Singaporeans, who have to accept a five-year wait for government housing, were worried that the transit system would draw resources away from housing construction.

One said, however, that the government hoped to have the housing problem beaten before 1986, just in time for the main construction of the MRT.

The government is also confident that while fare revenue will cover operating costs, fares will not be much higher than bus fares.

### Quality

Most Singaporeans use the public bus system which charge fares ranging from 50 to 80 cents.

A cheaper all-bus system recommended by a consultant team from Harvard University was rejected because of the expected congestion and severe restrictions on private car ownership.

Singapore's rail-based MRT will be closely modelled after Hong Kong's system, a Communications Ministry official said.

The MRT will allow Singaporeans to enjoy "not only a higher quality of transport but a whole new dimension in the quality of life in Singapore," Communications Minister Ong said. — UPI



## GOVERNMENT TAKES ACTION ON CORRUPTION CHARGES

Kuala Lumpur BUSINESS TIMES in English 19 Jun 82 p 9

[Article by Mallika Wanigasundara]

[Text]

"OILING the palm" is a pithy saying commonly used in Sri Lanka. It means lubricating the bureaucracy with some cash to push through a deal, big or small. This way, it becomes easier for one to obtain a birth certificate or a passport or clinch a multi-million-rupee contract.

In Sri Lanka today, where infrastructure projects and public expenditures are unprecedented, talks of rampant and massive corruption, especially in high places, have reached a crescendo. And the noise has been such that the government has been forced to act.

The biggest head to roll in the renewed anti-corruption drive was Agriculture Minister E.L. Senanayake. He was forced to resign under pressure from the ruling United National Party of President Jayawardene.

In recent months, Mr Senanayake's activities have been put under question and the UNP was faced with the dilemma of protecting a party loyalist while, at the same time, presenting a clean image to the country.

The newspapers first exposed the irregular award of huge contracts by the Agriculture Ministry. These involved the construction of two warehouses for the state-owned Fertiliser Corporation and the award of a contract for a sugar project.

### Reinstatement

As the storm gathered, President Jayawardene appointed a high-powered Cabinet subcommittee to investigate the alleged anomaly. The investigation was preceded by a widely-publicised clash between Minister Senanayake and one of his subordinates. The minister blamed his aide for the irregularities.

The ministry became a veritable battleground where Mr Senanayake was locked in a fight with his aide whom he later dismissed. But Mr Jayawardene entered the fray and ordered the aide's reinstatement.

The country watched with uncertainty while there was unconcealed glee in the opposition. Later the Cabinet subcommittee released its findings and said Mr Senanayake had violated certain established procedures and that he had not sought Cabinet sanction which is required in the award of large tenders.

However, the subcommittee held that there was no corruption. The President tried to soften the blow to the man and the party by switching Cabinet portfolios between Mr Senanayake and Health Minister Gamini Jayasuriya.

The move, however, seemed a pointless exercise of "changing pillows to cure a headache," as a famous Sinhala saying goes.

There was a howl of protest from within the party,

particularly from UNP "young Turks" led by Education and Youth Affairs Minister Ranil Wickremasinghe. A week later, Mr Senanayake resigned from the Cabinet and reverted to the back benches as a simple Member of Parliament.

This is the first time in the country's modern history that a Cabinet minister had been forced to resign under questionable circumstances. Some observers maintain that Mr Senanayake has enormous influence in the central hill country. Others believe that his name is too tainted and that his influence is negligible. But almost all agree that he has become a liability to the UNP. Thus, he had to go.

Another official involved in a scandal is 28-year-old Anura Daniel, the youngest member of the UNP in Parliament. He resigned as MP after he was found to have smuggled over two million rupees (US\$128,000) worth of contraband in wristwatches and ready-made garments. He was fined two million rupees for the offence.

Still another smuggling investigation reportedly involving a Cabinet member is also underway. The contraband worth 800,000 rupees (US\$51,200) consisted of 4,000 wristwatches, garments, a TV set and video cassettes which the Cabinet minister allegedly tried to smuggle from Singapore.

Because of these scandals, the UNP gave President Jayawardene, as party leader, the widest possible powers to inquire into allegations of bribery and corruption. The purge includes not only party members but also other public officials like members of local bodies and district development councils, and chairmen and directors of public corporations.

The stance taken by the UNP was tough. Any person who fails to adhere to established standards and who is found guilty of corruption, will have to resign from office. UNP members who fail to resign will be expelled from the party.

At the same time, there is a move to make declarations under the Assets and Liabilities Law public and to extend the requirement to cover office bearers of all parties and trade unions. — *Depthnews Asia*

EDITORIAL BLAMES UNITED STATES FOR ISRAELI INVASION OF LEBANON

Bangkok MATICHON in Thai 17 Jun 82 p 4

[MATICHON Editorial: "Hurry and Get Out of Lebanon"]

[Text] Israel's sending of troops on a large scale to attack Palestine Liberation Organization (PLO) strongholds in Lebanese territory beginning this past Friday, 4 June and setting her sights on continuing to trample on them is a great disaster and tragedy for all humanity, because 9,583 Lebanese and Palestinian citizens have been killed and 16,608 wounded, and over 600,000 people are homeless. These figures are from the Government of Lebanon, a nation that has been cast aside, its sovereignty violated from all sides, and used as a battleground in this conflict that has gone on through history. Israel's using military measures and sending its forces, causing many deaths and homes destroyed, witnessed by people all over the world, can be considered cruel and inhumane.

It seems that the trend toward this kind of destruction and disaster in war is increasing because of Israel's thirst for war. When Israel uses force to solve her problems, she is likely to be responded to with force. Then we will see the various groups of Arabs retaliating with force. For example, Syria is ignoring the threats of Israel if they do not withdraw their troops from Lebanon; and Iran is sending volunteer forces to help the PLO; and Iraq has vowed to assemble forces to oppose Israel.

In addition, one must worry greatly about the role of the superpowers who may be pulled into the situation in Lebanon because of the thirst for war on the part of the Begin government. The Soviets have called on Israel to stop using force in Lebanon immediately, because they consider it a challenge to Soviet interests in the Middle East. This is because in the Middle East several nations are allied with the Soviets as Israel is allied with or is a puppet of the U.S. Israel has come in and trampled that nation with enough force that the Soviets are likely to become involved to protect their allies just as the U.S. must protect its satellites.

The U.S. ought to keep the Jews from raging war, but it appears that the U.S. does not have the medicine to restrain the hawkish Begin government at all. And the image of the U.S. day after day becomes lower in the eyes of Third World nations, who see the Jews receiving full support from the U.S. in the invasion of Lebanon. Israel maintains that it invaded Lebanon in order to sweep out the PLO and asks for sympathy, but when one looks at the effects of the sweeping

out, one can believe that the Begin government is a "warring beast" that causes international relations in the Middle East to degenerate, which could flare up into full-scale war and violence. For now, the solution at hand is for Israel to get out of Lebanon at once.

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CSO: 4207/117

## THAILAND

### COMMUNIST SEES COALITION EFFORT AS INTERFERENCE IN KAMPUCHEAN AFFAIRS

Bangkok PHYA KRUT in Thai 21 Jun 82 p 3

[Column by Angkhi Charoenrat: "Three Cambodian Factions Join Forces"]

[Text] Philosophy for fighting in the new era: Every nation tries as best it can to push conditions of war as far as possible from home.

Churchill, the English statesman, proclaimed at the time of the World War II that Britain would use all her resources to insure that she would not have to become a battleground.

And the current Thai situation.

If we speak of the Thai-Cambodian border, there is a constant danger because the troops of the two nations have come boldly face-to-face.

To sum up the history of the fighting, whenever the two sides have met face-to-face tension has increased.

Then it ends with war.

And so, with Kampuchea's three factions--Sihanouk, Khieu Samphan and Son Sann--joining hands and forming a coalition government, Thailand is relieved again for a time.

Because, at least, the Cambodian liberation has made it a buffer state once again.

Otherwise, Thailand itself would be.

This military strategy enables us to understand well what is on the mind of the Thai government and the security council.

When the three Cambodian factions can unite, it is as if to say Thailand will not become a battleground.

However....

General Siti Sawetsila, Foreign Minister, has had an obvious role in the situation...however great.

We are interfering increasingly in the internal affairs of our neighbor.

It is true that international political methods of any nation seek the greatest benefits to itself.

But that does not necessarily mean that we should follow the foreign policy that the superpowers induce us to follow. Because if we do so, it is as if Thailand is fighting a war in place of the superpowers.

After careful consideration when we have carried out a policy to the point that the three factions in Cambodia are united, that is our best opportunity and one that will not again be found.

That is, Thailand is free to be truly neutral.

From now on, even if the struggle in Cambodia becomes a war that wipes out a whole race, it is up to the Cambodian people to choose.

Thailand might play the role of the humanitarian, continuing to look after war refugees.

Then...if I may go on

May I compliment the important work of General Siti Sawetsila from the beginning of his administration to this real accomplishment.

And I well know how difficult it is to get the goat together with the sheep. But when it has been done, may the Thai Ministry of Foreign Affairs show the world clearly once again that

Thailand truly wants peace in the region!

9937

CSO: 4207/117

THAILAND

U TAPHAO AIRBASE NOW INTERNATIONAL AIRPORT

BK290219 Bangkok NATION REVIEW in English 29 Jul 82 p 6

[Text] The U Taphao military airbase in Sattahip, once used by the Americans during the Vietnam war, was officially declared opened yesterday as a reserve international airport for Don Muang Airport.

Formerly the home of the giant American B-52 bombers, the airbase is meant to reduce some of the burden already carried by the main airport in Bangkok, it is expected that the Don Muang Airport's facilities and capability will be stretched to the limit by the end of next ten years.

Although there is no definite policy to use the airbase as an international airport, it is however, fully installed with advanced modern communications equipment and facilities including a fire brigade, ambulances and life boats units.

It is wider and bigger than the Don Muang Airport. It is capable of receiving any type of aircraft, large and small, commercial and military including B-52 bombers, Boeing 747 and C-5 aircraft.

Militarily, therefore, the new airport may be turned into an airbase in the event of a war.

Presently, the U Taphao Airport is servicing a handful of both commercial and military aircraft, making a brief stop-over for refueling.

The government in 1979 allotted a budget of 167 million baht for the development of the airbase, about 170 kms south of Bangkok in Chonburi Province. The opening ceremony was presided over by Vice Admiral Pricha Sa-nguansin, the chief of staff of the Royal Thai Fleet.

Vice Admiral Pricha is seen in the picture inspecting a parade by naval officers during the opening ceremony of the U Taphao Airport.

CSO: 4220/269

THAILAND

'BANGKOK POST' REPORTS CAPTURE OF CPM STRONGHOLDS

BK260323 Bangkok BANGKOK POST in English 26 Jul 82 p 1

[Text] Government forces seized three major Communist Party of Malaya strongholds in the south during an operation which began early this month, the BANGKOK POST learned at the weekend.

The camps were in Songkhla, Narathiwat and Yala provinces.

Major-General Panya Singsakda, commander of the 43rd civilian-police-military command, said that command headquarters of the outlawed CPM's 8th, 10th and 12th regiments were smashed and the guerrillas dispersed during the operation.

The operation was carried out by the national forces--a fighting force composed of troops, rangers, police and volunteers from throughout Thailand.

The largest and most strongly fortified of the strongholds was that of the 8th Regimental Headquarters on rugged Nam Kang Hill which straddles the borders of Sadao and Na Thawi districts in Songkhla Province.

Major-General Panya said that the stronghold consisted of a [word indistinct] of tunnels--some up to 15 metres deep--which could withstand an artillery shelling and even 227 kilogramme (500-pound) bombs.

Troops were trying to defuse mines and boobytraps which were planted around the command, he added.

About 540 guerrillas had been based at the 10th regimental command, in Ban Sowo, Sikhirin district of Narathiwat Province. The 12th command, which operated in Betong District, was a splinter faction from the CPM which called itself the Communist Party of Malaya Marxist-Leninist.

Major-General Panya said that the guerrillas' morale was low because of a high defection rate and a reduction in its influence. He said the guerrillas had formed small groups which had dispersed throughout the jungle and avoided contact with government forces.

He explained that the campaign's objective was to restore peace and security to the south and to show the CPM that its protracted revolutionary struggle in Malaysia would never be a success.

Defecting CPM guerrillas would receive the same treatment as Thai Communist insurgents who surrender to the government under anti-insurgency strategies announced in orders No 66/2523 and 65/2525, said Maj-Gen Panya.

The government was also considering granting Thai citizenship to defecting CPM guerrillas and members who could prove that they were born in Thailand.

On southern bandit gangs, Maj-Gen Panya said an unprecedented recent incident showed that they were prepared to wage a war of terror against Malaysians as well as Thais.

He was referring to the kidnapping of four Malaysians who were brought to southern Thailand after being seized in Malaysia.

CSO: 4220/269



EDITORIAL VIEWS KHMER COALITION GOVERNMENT

BK091105 Bangkok THAI RAT in Thai 8 Jul 82 p 3

[Editorial: "The Khmer Alliance"]

[Text] Prince Norodom Sihanouk, president of the new coalition government of Kampuchea, is now in Bangkok to hold talks with leaders of the other two Khmer factions. Many people are watching Thailand to see how the merger of the three Khmer factions will benefit it. Meanwhile, many others are still furious about the old Phreah Vihear temple dispute between Thailand and Kampuchea and thus oppose Thailand's involvement in the Kampuchean problem.

Actions relating to international politics sometimes are very complicated and should be treated confidently. However, the foreign minister should be blamed for failing to inform the public or the House of Representatives Commission for Foreign Affairs about Thailand's diplomatic maneuvers in this regard.

According to the deputy army commander and the 1st Army region commander, following the formation of the coalition government fighting in Kampuchea has escalated. Hanoi strongly opposes the formation of the coalition government for which it blames China.

The Thai Government must uphold our national interests and should not allow us to get deeply involved, despite the fact that we want to see peace in Kampuchea and all Kampuchean refugees return home safely.

What should be considered now is whether the three Khmer factions can really unite with each other or not. The new coalition government should be strong enough to force the 200,000 Vietnamese subjugators to leave the country. Otherwise, its formation will only increase the fighting in Kampuchea.

No matter how the ASEAN countries want to solve the problem, the occupation forces in Kampuchea have to follow instructions from the big power that is supporting them. We can only pray for peace, which is what the Kampuchean people want.

CSO: 4207/128

SIHANOUK PRESS CONFERENCE REPORTED

BK121314 Bangkok Voice of Free Asia in Thai 1000 GMT 12 Jul 82

[Text] At about 1000 today, Prince Norodom Sihanouk, president of Democratic Kampuchea, held a news conference at the Erawan Hotel during which he talked about a few issues of interest, as follows:

At the beginning of the conference, Prince Sihanouk announced the successful formation of the government of Democratic Kampuchea [as heard] and expressed his gratitude to the Thai Government and other peace-loving nations for the support they have accorded the government of Democratic Kampuchea.

Asked about future relations between Thailand and Democratic Kampuchea, Prince Sihanouk confirmed on behalf of his government and the Kampuchean people that there will be no change in relations between the two countries. He said Kampuchea will forever remember Thailand's generosity. Thailand is Kampuchea's true friend. Their majesties the King and Queen have done so much for the Kampuchean people and refugees. The Thai Government and people have treated the Kampuchean refugees with sympathy. Democratic Kampuchea will be friendly and stand side by side with Thailand.

Touching on Vietnam's announcement on the partial withdrawal of its troops from Kampuchea, Prince Sihanouk said Vietnamese soldiers in Kampuchea are now suffering from many illnesses and diseases, such as malaria, and from low morale. Vietnam finds it very difficult to keep its troops in Kampuchea, and has withdrawn part of its troops who are not engaging in the fighting. Moreover, there is no guarantee that what has happened to Kampuchea will not happen to other countries. Vietnam used to declare that it would not invade Kampuchea just as it is saying that it will not invade Thailand or other ASEAN countries.

Prince Sihanouk went on to say that since Vietnam is a member of the United Nations it should comply with the UN charter and the international declaration of human rights, as well as the UN resolutions on the Kampuchean issue and the resolutions adopted at the international conference on a solution to the Kampuchean problems. Vietnam should also attend the international conference, which is scheduled to be opened in New York.

Prince Sihanouk said he would invite Vietnam and the Soviet Union to attend the aforementioned conference.

CSO: 4207/128

THAILAND

INTERVIEW WITH GENERAL SAIYUT ON KHMER COALITION

BK240852 Bangkok Domestic Service in Thai 0000 GMT 24 Jun 82

[Interview with Supreme Commander General Saiyut Koetphon--given 23 June; recorded]

[Excerpt] [Saiyut] According to the reports I have received, the situation along the border with Kampuchea has improved. I am very pleased to see them having successfully united in their political efforts. Political and military operations must go together. If politics is stable, the military will be strong. Formerly, the anti-Vietnamese forces were fairly strong, but they could not unite politically. Now, I believe that their morale will be enhanced by the formation of the coalition government.

[Question] Do you have any problem [words indistinct]?

[Answer] We must admit that the budget from the government is limited. What the armed forces will buy depends on the priority list. The budget allocated to the armed forces cannot exceed the amount prescribed in the allotment plan.

CSO: 4207/128

## THAILAND

### EDITORIALS COMMENT ON KHMER COALITION

BK121026 [Editorial Report] Three Thai-language dailies--THAI RAT, MATICHON and MATUPHUM--on 11 and 12 July carry editorials commenting on Thailand's attitude toward the newly-established coalition government of Democratic Kampuchea [CGDP].

The 11 July THAI RAT editorial, on page 3, entitled: "The Rebirth of Kampuchea," notes that the fall of Phnom Penh was caused by disunity among Kampuchea's former leaders and people and describes the current plight of hundreds of thousands of Kampuchean people, including the young and old, who are now living along the border as refugees.

The editorial stresses that the most urgent task is to repatriate the Kampuchean people so that they can help the new coalition government rebuild Kampuchean society and economy.

The editorial continues: Difficulties and problems will be inevitable if Kampuchean leaders only try to fight for their own interests rather than for those of their country.

The editorial concludes with the statement: "The Kampuchean people throughout the nation must realize that they can only depend on themselves. The task of national reconstruction is a difficult and heavy one, but we believe that the Kampuchean people will continue to work selflessly to rebuild their country...."

"We hope that the Kampuchean leaders will not forget the hospitality Thailand has accorded the Kampuchean people during the wartime."

The 11 July MATICHON editorial, on page 3, entitled: "Prince Norodom Sihanouk; When the Enemy Becomes a Friend," says that news reports and pictures of Prince Norodom Sihanouk on the front pages of many local dailies have led the people to completely forget about his antagonistic attitude toward Thailand in the old days.

The editorial says that many Thai people think that Thailand is only provoking Vietnam by giving support to the CGDK. They want the Thai Government to strictly adhere to a neutral policy in dealing with the Kampuchean problem.

"These patriotic people fear that more Thai support for the new coalition government might cause tension along the border that could erupt into a war between Vietnam and Thailand as China and its front organization, the Communist Party of Thailand, have been trying to pit the two countries against each other."

The editorial points out that ASEAN's support for Democratic Kampuchea is in line with UN resolutions, and the Thai Government must "think about the security of the country and its own people in the long run."

The 12 July MATIPHUM editorial, on page 4, entitled: "It Is Vietnam's Business, Not Thailand's," says that Vietnam is now trying to legitimize its military occupation of Kampuchea.

The paper says: No matter how cruelly the Kampuchean leaders treat their people, how efficiently they run the country's affairs nor whether they lead their people to heaven or hell, no country should try to intervene to settle the problems for the Kampuchean people. It is the duty of the Kampuchean people themselves to fight for a good government.

"Our opinion is based on our former attitude against the French and Americans, who used to attempt to arrange the lives of the people in Indochina and other parts of the world."

CSO: 4207/129

PARLIAMENT REJECTS CONSTITUTIONAL AMENDMENT

BK100635 Bangkok BANGKOK POST in English 10 Jul 82 p 1

[Excerpt] The House of Representatives was yesterday dealt yet another humiliating defeat when the constitution amendments draft which aims to introduce a more democratic rule to the country after the next April general elections was killed in parliament.

It was the second failure for the majority of the elected MPs in an attempt to change the existing constitution by "technicality." Over two weeks ago, a government-sponsored draft which advocates multi-constituency and candidate voting system was dropped when most senators abstained in the voting.

Yesterday's secret vote was 235 for the amendments draft and 168 against. The number of the positive votes were 29 short of the minimum 264 needed to pass the draft in the parliament. There were nine abstentions.

The draft which was overwhelmingly approved in its first reading by the House of Representatives last May was endorsed by most party leaders both from the government and opposition camps, including M. R. Khukrit Pramot the social action party who, unfortunately, was absent from the debate yesterday.

Highlights of the proposed amendments in the defeated draft are as follows:

- the prime minister and half of his 29-member cabinet must be elected MPs;
- the house speaker is president of the parliament and the number of senators must not exceed half that of the House of Representatives;
- prior to taking office, the cabinet must state its policy before the parliament and get a vote of confidence from the parliament;
- local governments at all levels, including Bangkok Metropolitan Administration must be elected.

CSO: 4220/269

THAILAND

SAIYUT INTERVIEWED ON SITUATION IN SOUTH

BK170412 Bangkok NATION REVIEW in English 17 Jul 82 p 6

[Text] Supreme Commander Gen Saiyut Koetphon welcomes a proposal by the Fourth Army Region to offer Thai citizenship to members of Muslim separatist movements and the Communist Party of Malaya (CPM) as an incentive for their defection.

In an exclusive interview with the NATION, Gen Saiyut said he agreed in principle to the proposal which could be a solution to terrorism and insurgency in the trouble-plagued south.

He said that the measure would provide separatists and CPM's fighters a chance of turning over a new leaf.

A considerable number of the terrorists and insurgents, and insurgents, particularly in the rank and file of the CPM, would not be welcomed by Malaysian authorities even if they surrender as some of them had been recruited from southern Thailand, he said. They have also joined the outlawed movements for so long that Thailand did not regard them as Thai people, according to the Supreme Commander.

General Saiyut also said that more emphasis must be placed on the areas security, economy and development other than the military actions against CPM and "terrorist bandit movements" to weaken their strength.

The supreme commander listed intelligence gathering, measures to provide protection to local villagers and development projects as the areas of work that needed improvement.

"We have wrongly overemphasized military action against the movements and now it's time our authorities must attentively coordinate various fields of work," he said.

He added that field officials must also improve their services to the Muslim people in the south, citing the inadequate facilities for their pilgrimage to the Middle East as an example.

General Saiyut proposed that the Foreign Ministry should post its officials to the south to enable quick pilgrimage for Muslim people to Mecca.

The Muslim people now have to take a trip to Bangkok en route to their destination which is much more inconvenient than crossing the southern border to Malaysia, according to the Supreme Commander.

He also proposed that Thai officials be sent to Saudi Arabia to look after the Thai pilgrims and ensure that none of them would be stranded in the Middle East country.

CSO: 4220/269



THAILAND

PRASONG NOTES REFUGEES 'BURDEN'

BK160546 Bangkok BANGKOK POST in English 16 Jul 82 p 5

["Full text" of speech by Squad Leader Prasong Sunsiri, secretary general of Thailand's National Security Council, at the annual conference on displaced persons in Bangkok on 15 July]

[Text] I am delighted once again to have this opportunity to address the annual conference on Indochinese displaced persons in Thailand. Throughout the past seven years, since Thailand began to confront the massive influx of Indochinese displaced persons, a number of voluntary agencies and international organisations have untiringly and closely worked with the Thai Government in handling this difficult problem.

This annual conference is now the fifth of its kind which reflects the solidarity of the volunteers and the international authorities in furthering their cooperative effort with the Thai Government. Therefore, I wish to take this occasion to profoundly thank all of you who have devoted much of your physical and spiritual energy and your time toward our humanitarian task in Thailand.

Since 1975, third countries have helped Thailand by granting 390,000 displaced persons resettlement; however, the overall number of displaced persons in Thailand has not satisfactorily decreased because the people in Indochina who face hardship have been migrating to Thailand. At present, we have a total of 184,704 displaced persons; of this number 90,856 are Kampuchean illegal immigrants. In addition, there are about 300,000 Kampucheans staying along Thai-Kampuchean border areas; they are increasing in number as a consequence of the fighting and starvation in their troubled land. Actually, their numbers may not be as high as in the past, but the turbulence in Indochina, especially the continued armed conflict, gives no one confidence that in these circumstances there will be no displaced persons moving into Thailand on a massive scale again. The expected recurrence of the great Indochinese influx keeps us worried; therefore, we desire to see that the problem of displaced persons remaining in Thailand be completely solved at the earliest opportunity.

As the person responsible for refugee policies, I wish to reiterate that the Thai Government continues to uphold humanitarian principles in alleviating the plight of Indochinese displaced persons coupled with the consideration

on our sovereignty and national security, as long as other countries and international organisations concerned continue to honour their commitments and fully share the burdens imposed upon Thailand. We have taken some important steps in administering displaced persons affairs. For instance, the numbers of holding centres will be reduced to four sites in 1982 and the Thai authorities have not allowed subsequent groups of displaced persons to depart for third countries. This plan is partly tactical and aimed at neutralising the Indochinese people's motive for leaving their homeland. In pursuit of the long-term objective, however, the Thai Government relies on the hope that the UNHCR and the third countries shall accelerate the resettlement of more displaced persons from Thailand.

It should be noted that Thailand has the burden of taking care of not only the Indochinese but also the displaced Burmese nationals, the Yunanese and the Vietnamese of an older generation. This burden has been exacerbated by a new wave of massive Indochinese illegal immigration from 1975 on. We hope to receive continued international sympathy and to see other countries urgently granting these unfortunate people their resettlement. Thailand is determined not to allow even one displaced person left on her soil. Thailand has learned the hard lesson that, in committing to the humanitarian tradition too rigidly, the consequence is damaging to her, as in the case of the Vietnamese entrants of the 1950s. Does any country care or can anyone help us to get rid of this problem?

I beg to mention what I expressed on many occasions that the best solution of the problem of displaced persons is to tackle its root cause, that is, how to deter the emigration of the Laotians, Kampuchians and Vietnamese. These countries of origin must be responsible for the plight of their people. They have directly or indirectly encouraged the outflow of their own citizens. The first and foremost task should remain with them, not their neighbours. Otherwise, we cannot put an end to the problem, and the cost of managing it, I believe, will be astronomical.

Now I shall turn to a crucial point. The chaos and the mass migration in Kampuchea was originally caused by the Vietnamese use of brute force to cruelly exterminate the Kampuchean race. The United Nations has accepted this fact. Moreover, the United Nations resolution which calls for the complete Vietnamese withdrawal of troops from Kampuchea was overwhelmingly endorsed by the great majority of nations, but the government of Vietnam is adamant at its wrongdoings in contravention to the UN resolutions. Besides, the Vietnamese find no fault in exploiting and diverting the international assistance to starving Kampuchians for the interest of their own forces. These indecent Vietnamese acts dismay many civilised nations.

I am waiting to see the day when the Vietnamese leaders realise that their course of action is not in the best interests of the people. The Vietnamese troops must pull out from Kampuchea completely. Perhaps they will become enlightened by the rule of Karma that what they have wrongly committed in violation of international peace and in opposing the world conscience can return them as the aggressors with distasteful consequences.

I would like to mention some important facts about the Kampucheans. Most of them staying in the holding centres or camping along Thai-Kampuchean border areas do not want to resettle in an unfamiliar land. They patiently hope and wait to return to their homeland under peaceful circumstances. In realising their true desire, I have tried to work hard on a plan for voluntary repatriation with good cooperation from the UNHCR from the beginning, but it cannot be implemented owing to the impediment caused by the Vietnamese intimidation against the repatriated. In considering the significance of this plan, I call on the UNHCR, international organisations and other countries to support and seriously work for this plan because it responds to the Kampucheans' genuine desire. I wish to express many thanks to the government of Japan which proposed this matter in the recent meeting of ASEAN ministers in Singapore--that the unfortunate Kampucheans should return to their homeland under close supervision of the UNHCR or some other international organisations. I ask every country to seriously help and make this plan successful.

I would like to stress again that the displaced persons have become an unceasing and costly problem for Thailand. We have sacrificed a number of officials to work in holding centres. We have spent our budget to maintain administration and facilities for them. Some of our works cannot be assessed in monetary terms. In 1979 Thai citizens in seven provinces along the Thai-Kampuchean border were badly affected by huge and successive immigration of Kampucheans. Consequently, 80,000 Thais have become uprooted. The Thai Government has tried to help them to return to normal life. At the same time, help and sympathy have come from friendly countries but are inadequate for the magnitude of these Thai villagers' grievances. I hope that the international organisations and friendly countries will continue to give attention to these unfortunate Thais too.

As earlier mentioned, Thailand has received valuable help and good cooperation from many countries. But sometimes, the Thai people feel uneasy due to the accusation made by some countries and some international mass media that Thailand is not responsible for the suppression of piracy. I think that this is a premeditated act to ruin Thailand's good image. I believe a person with good conscience realises that crimes committed by pirates in the Gulf of Thailand can be comparable to those taken place in New York, Paris, London, or any other city in the world. Crime, everyone agrees, is difficult to prevent. The acts of piracy in the Gulf of Thailand and the South China Sea, covering large international waters, can be met effectively only by international cooperation. I want to remind you that 300,000 square kilometres of the Gulf of Thailand belong to many coastal states, not only to Thailand. It is unjust to criticise Thailand and to give her sole responsibility.

Thailand has continued suppressing the pirates according to our capabilities. The pirates, whose nationalities are not known, prey upon not only the Vietnamese boat people but also the Thai fishermen. The UNHCR has already transferred a sum of U.S.\$3.67 million donated by 12 countries to the Thai Government to use for the pirate suppression programme within a period of 12 months. I expect that this fund can help make responsible government agencies more capable of handling piracy. However, what we are now

implementing is to tackle the piracy problem at its effect not its cause. If we hope to be successful, we must persuade Vietnam to cooperate with the international community, in order to facilitate an orderly departure of Vietnamese emigrants to the third countries. Vietnam should not push its own citizens away to face risks on high seas as it is now doing.

Last year, there were implementations of new plans concerning displaced persons in order to deter the inflow of Indochinese to Thailand which make some observers doubtful about the consistency of the Thai Government policies in dealing with these people. One year has passed and the Thai Government has proved that it still continues to abide by humanitarian principles.

Unfortunately for Thailand, although the figures of displaced persons of the past year has decreased they have become more unwelcome by the third countries. Within the period of 6 months, January-June 1982, third countries have received only 19,500 for resettlement which is much less compared to 48,000 for the first six months in 1981. This tendency confirms the Thai people's anxiety that eventually Thailand will be left to shoulder the burden alone.

Thailand is a small country confronted by many pressing problems and needs, but with limited resources and capabilities the Thai Government decided to take on these burdens because many countries assured us of their commitment to fully share these burdens. As a result, we opened our door to these devastated people with the understanding that they shall be welcome to resettle in other lands and our burden shall not be prolonged indefinitely. But the present trend has proved otherwise and other countries are beginning to forget the displaced persons in Thailand.

What I am telling you is frank and sincere. I have no desire to review our stance and to take any negative measure in treating the displaced persons because it is against my attitude and personal belief. Nevertheless, if all countries and international organisations fail to honour their commitments and Thailand has to bear these grave burdens alone, I deem it necessary for Thailand to take a new step in order that our interests and security can properly be preserved. It is unavoidable for us to be concerned with the prevailing situation when many third countries have adopted new policies to accept fewer displaced persons for resettlement. They claim that they have done enough; therefore, we can say likewise that we in Thailand have done more than enough.

Speaking sincerely, I still hope for the best and I wish to call on the voluntary agencies, the international organisations and the governments of foreign countries to honour their commitments with a view to lessening Thailand's burdens with the displaced persons.

CSO: 4220/269

ILLEGALLY PURCHASED ARMS DESTINED FOR MIDDLE EAST

BK170557 Bangkok BANGKOK POST in English 17 Jul 82 p 1

[Article by Yuwadi Thunyasiri]

[Text] The 4,000 M-16 assault rifles illegally bought from the United States by gun dealers, including two army officers, were not destined for the Thai market, but for a client in the Middle East, a highly-placed government source told the BANGKOK POST yesterday.

The source said preliminary investigations by a high-level military team showed that Major Wivat Wisanuwimon, one of the two officers implicated in the illegal arms deal, had recently flown to the United States and paid about U.S.\$2.5 million (57.5 million baht) for the 4,000 M-16 rifles consignment.

The arms were to be sold to a Middle East country for about U.S.\$3.5 million (80.5 million baht), said the source, who declined to name the potential buyer of the consignment now impounded in Singapore.

He denied earlier reports that the arms shipment had already been smuggled into the country and dismissed fears that the arms could end up in the wrong hands.

The source said that Major Wivat was formerly a student in Britain and is the son of a businessman in Bangkok. Another officer implicated in the arms deal Maj-Gen Sawong Phinyo, is being held in army custody.

The army last night announced that the investigation so far had unearthed evidence and testimony indicating that the two officers had used the name of a government agency without authorisation to purchase the arms.

The statement said that though the arms were not meant for Thailand, the two can still face criminal charges. It said the probe would continue and the officers would later be charged in the military court.

Colonel Narudon, secretary of the army, said yesterday that the army had set up another committee to consider legal action against Maj-Gen Sawong and Major Wivat who is now abroad.

The colonel disclosed that the government first learned of the arms deal on July 8 when the Thai military attache in Singapore asked the army about a freighter docked in Singapore with a shipment of 4,000 M-16 rifles bought from the United States.

Meanwhile, an arms dealer in Wang Burapha area said yesterday he believed the two officers might have forged an end user certificate authorising them to order the M-16s from the U.S. manufacturer.

The end user certificate is a vital document in an arms deal. It certifies that the purchase is being made by, or on behalf of, the end user, who has to be a sovereign government or a certified representative.

The certificate has no specific form, shape or size, or specific wording. It is a written affirmation from a government or a certified representative that the bearer or the dealer is authorised to apply to the supplier government for permission to purchase and export arms.

The dealer said it is very difficult for a private arms dealer to buy war weapons, such as the M-16 assault rifles, from the supplier government. He added that permission has to be sought from a committee which comprises under-secretaries of defence and interior and representatives from the three armed forces, the national security council, the police and the supreme command.

CSO: 4220/269

## THAILAND

### HIGH UNDEREMPLOYMENT RATES NOTED

Bangkok DAO SIAM in Thai 18 Jun 82 pp 3, 14

[Article: "Thai Labor Force of 22.7 Million, Under 4.6 Million Working, Severe Problems Result, One Person Supports Three"]

[Text] Results of the recent survey of the labor force show that of the 47.3 million people in the whole kingdom, it appears that 22.7 million or about 48.1 [percent] of the total are in the labor force or are individuals over the age of 11 who have or do not have work.

Those other than the 3.2 million people in the work force living under municipal jurisdiction and the 19.5 million outside municipal jurisdiction are not in the work force or were 11 years old at the time of the survey. These people consist of housewives, students, retirees and those unable to work for various reasons. They account for 8.4 million people or 17.9 percent. The children under 11 account for another 38.0 percent or about 16.1 million people.

The above figures come from the latest survey of the work force by the national statistics bureau of the Office of the Prime Minister, which was carried out between July and September of 1979. Because it took time to analyze the results and print them as in a volume, they have just become available recently.

Of the 22,728,100 people in the work force, 99.1 percent have work; 0.9 percent do not have work. From the survey results it appears that those in the work force in this most recent survey had increased by 1.3 million people over the survey of August, 1979, in which the labor force was 21.4 million. This is largely due to the increase in agriculture and due to the survey's (1979) taking place during the agricultural season.

Analysis of the new figures show that 18.2 million of the 22.7 million in the work force or 80 percent are fully employed; 4.6 million are underemployed; .9 percent of the people have no work at all; 2.3 percent are underemployed in an hourly sense; 16.7 percent are underemployed in the sense of salary, and no more than .1 percent are underemployed in the sense of not fully utilizing their knowledge or abilities.

This shows that of the nation's total population of 47.3 million, only 18.2 million or 38.48 percent are fully employed, or that one person must work to support nearly three people.

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CSO: 4207/117

THAILAND

DEADLINE SET TO INCREASE NATURAL GAS SUPPLY

BK270225 Bangkok BANGKOK POST in English 27 Jul 82 pp 1, 3

[Text] The government has set next January as the deadline for Union Oil to increase its supply of natural gas from the Gulf of Thailand to the agreed level.

Since gas began to flow from the Erawan field in the Gulf of Thailand a year ago, the amount has consistently fallen short of the daily supply contracted for by the petroleum authority of Thailand.

Industry Minister Chatchai Chunhawan announced the deadline to the president of Union Oil of California's international oil division, Harold Lian, and William Greenwalt, the company's vice president and resident manager in Thailand, at a recent meeting between the three men.

Major-General Chatchai said the government may be forced to consider other coercive measures if the company fails to fulfill its commitment.

"I informed the executives (Lian and Greenwalt) that if Union Oil could not arrange a sufficient supply of gas there would be other companies qualified to do the job," he said.

According to the terms of the contract with Union Oil, the company may be fined by a reduction of 20 percent of the price for the gas supplied if the agreement is not met.

Union Oil was contracted to supply 200 million cubic feet of gas a day, rising to 250 million cubic feet a day from last September.

Production during the second quarter of this year has averaged only 137 million cubic feet, however.

Union Oil blamed excessive heat in the well which it said had caused damage to equipment, and lately the company has asked for a review of the natural gas reserves in the Erawan gas field, claiming that they were less than estimated.



General Chatchai said yesterday morning that it was impossible for the reserves to be lower than estimated.

"In fact the reserves should be higher because of further deposits found by the company at new wells," he said.

Thailand's development plans are linked to the projected flow of natural gas and projects especially on the eastern seaboard, would be jeopardised if the supply continues to fall short of the amount needed.

The original estimate had been made by Union Oil in cooperation with two neutral [word indistinct] such as de-Goymer and McNaughton.

Asked to comment on the oil deal at Lan Krabue in Kampaengphet Province, the industry minister indicated that the terms of contract entered into with the exploring company were fair. There were no "disadvantages," he said.

Deputy Industry Minister Chirayu Itsarangkun said the government will take 12.5 percent of the value of the oil find in royalties and 50 percent of the developer's net profit.

No talks on further investment to exploit the oil reserves had been held, however, he said.

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## THAILAND

### BRIEFS

**MALAYAN COMMUNIST PRESENCE**--We do not believe that there is any Malayan national liberation army stronghold on Thai soil. However, there are small groups of Malayan communist guerrillas operating in the jungle. They kidnap the local people for ransom and sometimes even prey upon the people in Betong town. They can do this because they have been here for many decades. The 4th Army Region has been launching suppression drives against the Malayan communists. We cannot allow any group of individuals to set up a second government to collect illegal taxes from the people in our country. We appeal to the people to cooperate with our national armed forces in implementing the "peaceful south" policy of the 4th Army Region commander in order to restore security along the Thai-Malaysian border areas. I wish to reaffirm that the Malayan communist guerrillas are no longer a political force in Thailand. They are only small groups of bandits. We have not found any of their bases in any area. They are hiding in rubber plantations in groups of 10 to 20 and living on protection fees collected from the local people. The people can have confidence in our national armed forces that we will take every action to strengthen our state power. [Text] [BK061658 Bangkok Domestic Service in Thai 1300 GMT 5 Jul 82]

**BURMA RELEASES THAI NATIONALS**--The Foreign Ministry has reported that during the first half of this year, the Thai Embassy in Rangoon sent home 133 Thai nationals who had been released after being arrested and imprisoned by Burmese authorities on charges of illegal fishery inside Burmese territorial waters and illegal entry into Burma as wood poachers. [BK100923 Bangkok Voice of Free Asia in Thai 1000 GMT 7 Jul 82 BK]

**UNDP ASSISTANCE**--The UN Development Program has approved a 5-year program of assistance worth \$43 million to Thailand. The approval was made by the UNDP governing council meeting in Geneva recently. This is the third program for Thailand covering 1982-86. UNDP resources will be concentrated on four principal themes. The first will focus on the management of various fields and the improvement of government institutions both in the central and provincial levels. The second theme focuses on rural development and alleviation of poverty particularly in the north and northeastern regions. The third theme is directed at strengthening the economy, particularly industrial development. The last theme centers on energy resources development. [Bangkok Domestic Service in Thai 0530 GMT 9 Jul 82 BK]

TIN EXPORT, REVENUE--According to the board of trade, during the first 4 months of this year Thailand exported 12,485 tons worth 4.104 billion baht. Importers of tin from Thailand included the Netherlands, which imported 7,728 tons; and the United States, which imported 3,159 tons. The f.o.b. price of Thai tin during the first 4 months of 1982 was 328,714 baht per ton, as compared with 284,407 baht per ton during the same period of 1981. [Bangkok Voice of Free Asia in Thai 1000 GMT 8 Jul 82 BK]

KAMPUCHEA BATTLE SITUATION--The Aranyaprathet information center has reported that over the past week, four Vietnamese soldiers fighting in support of the Heng Samrin forces along the Thai-Kampuchean border near Aranyaprathet District defected to the Thai authorities. According to the report, two of them were privates and the other two were noncommissioned officers. From their interrogation, it was learned that most of the Vietnamese deserters were recruited from South Vietnam and they were tired of the protracted war and the hard life in the jungle. Concerning the fighting between the two Kampuchean sides, during the past week the Khmer Rouge forces of Khieu Samphan launched offensives against the Vietnamese-Heng Samrin positions. The Vietnamese-Heng Samrin forces along the border positions near Prachin Buri and Trat provinces have been pulled back for reinforcements. Only the forces at Poipet, opposite Aranyaprathet, were maintained as usual. There was also a report that Vietnam has set up a big radar site inside Kampuchea, about 14 km from the Thai border at Chanthaburi Province, aiming into Thailand. [Text] [BK240933 Bangkok Voice of Free Asia in Thai 1000 GMT 23 Jun 82]

TRADE WITH AUSTRALIA--The Australian information office reports that the value of bilateral trade between Thailand and Australia has increased from Australian \$66 million during 1974 and 1975 to \$194 million during 1980 and 1981. [BK080515 Bangkok Voice of Free Asia in Thai 1000 GMT 5 Jul 82 BK]

RUBBER EXPORT FIGURE--The board of trade of Thailand has reported that Thailand earned 4.131 billion baht from rubber export during the first 5 months of 1982. During the period, Thailand exported about 234,491 tons of natural rubber. [Bangkok Voice of Free Asia in Thai 1000 GMT 5 Jul 82 BK]

BOAT REFUGEES IN SONGKHLA--The naval station in Songkhla Province has reported that during the past 30 days, a total of 261 Vietnamese boat people--124 men, 69 women and 68 children--landed in the southern region of Thailand. [BK020429 Bangkok Voice of Free Asia in Thai 1000 GMT 24 Jun 82 BK]

JAPANESE AID ACCORD--Thailand and Japan yesterday signed an agreement under which Japan will provide 5.265 billion yen for Thailand to construct a trade training center for the commercial relations department, a radio and TV educational program producing center for Sukhothai Thammathirat University and a central laboratory for the forestry department. [Bangkok Voice of Free Asia in Thai 1000 GMT 25 Jun 82 BK]

SCORPION TANKS--With reference to the report in the "Boem Bangboet" column in the 7-8 July issue of the newspaper MAHACHAI on the purchase of Scorpion tanks, the army public relations center has denied the report as false. The Scorpion tanks purchased by the army are new tanks manufactured under the supervision of the British Defense Department. They are not old and used tanks as the report said. The purchase had been arranged since 1978. The officers accused by the columnist as being responsible for the purchase--Gen Sak Bunthrakun, Gen Prayut Charumani and Gen Prem Tinsulanon--in fact had nothing to do with the purchase of the tanks. The purchase contract had been made before the three officers were appointed deputy army commander, army commander and defense minister respectively. The report has tarnished the reputation of the army and the army will therefore take legal action against MAHACHAI. [Text] [BK081445 Bangkok Domestic Service in Thai 1300 GMT 8 Jul 82]

RICE TO BANGLADESH--According to Commerce Minister Punmi Punnasi, the government has agreed to sell 40,000 tons of 35 percent par boiled rice worth 200 million baht to Bangladesh. Bangladesh will pay 25 percent in cash and the remainder in installments over 3 years. Deliveries will begin this month and will be completed in September. [Bangkok Voice of Free Asia in Thai 1100 GMT 15 Jul 82 BK]

CHEMICAL FERTILIZER NEGOTIATIONS--The government has terminated the negotiations with a Scandinavian complex on the investment in a chemical fertilizer complex. This decision was made yesterday during the meeting of the eastern seaboard development committee chaired by the prime minister. The consortium could not accept the cost price of natural gas of the petroleum authority of Thailand and investment and other conditions required by the government. [Bangkok Domestic Service in Thai 0000 GMT 16 Jul 82 BK]

NINE MONTH REVENUES, EXPENSES --According to the Finance Ministry, the government's revenue during the first 9 months of this fiscal year exceeded expenditure by 10.707 billion baht. Revenue during the period totaled 101.837 billion baht, of which 18.044 billion baht was in the form of borrowings. Total expenditure during the period was 91.129 billion baht, 87.765 billion baht of which were spent for administration and 3.364 billion baht for loan repayments. [Bangkok Domestic Service in Thai 0000 GMT 15 Jul 82 BK]

OUTGOING FRENCH AMBASSADOR--French ambassador to Thailand Jean Soulier met Prime Minister Gen Prem Tinsulanon at Government House on 19 July at 1330. He was accompanied by the director general of the Foreign Ministry's protocol department, Nikon Phraisaengphet. The French ambassador has completed his tour of duty in Thailand and will leave the country shortly. The prime minister and the French ambassador spoke about the good relations existing between the two countries. The French ambassador welcomed the talks between Thailand and France concerning French convicts jailed in Thailand. The prime minister expressed his regrets at the departure of the French ambassador, who knows Thailand very well, can speak Thai and has served in this country for 18 years. During the meeting, the prime minister presented a souvenir to the French ambassador. [Text] [BK210928 Bangkok Voice of Free Asia in Thai 1000 GMT, 20 Jul 82]

5000 TROOPS PER YEAR DESERT--Deputy Minister of Defense General O. Phaniang Kantrat revealed that there are now as many as 58,416 deserters from the military who have not yet been dealt with. The Deputy Minister of Defense said that since 1932 there have been five laws to deal with deserters from the military. The most recent was from 1972. Since that time those deserting from military duty have surpassed 5,000 per year. They are still considered to have broken the law. As far as is known, these deserters have familial obligations, so they find a way out, as previously mentioned. To solve this problem the military has tried to train those called up for service in order and discipline and patriotism. At the same time, they have improved living conditions in the military so that more people will consider serving. In this way [they will get] people who do not have familial problems, and General O. Phaniang is convinced that when they enter training and are given their weapons they will all be ready to fight the enemy or the invaders. [Text] [Bangkok DAO SIAM in Thai 19 Jun 82 pp 3, 10] 9937

JAPANESE DAM ASSISTANCE--Thai villagers and Kampuchean refugees living along the Thai-Kampuchean border will soon have better access to water for consumption and cultivation as four new dams for these purposes will be built with 2.4 billion yen assistance from Japan. The assistance was formally extended to the agriculture minister by the Japanese trade mission during its recent visit to Thailand. Three of the four dams will be constructed in the border provinces of Surin, Buriram and Prachin Buri. The fourth will be built in Chon Buri. [BK180905 Bangkok Domestic Service in English 0000 GMT 16 Jul 82 BK]

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